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# COMMONWEALTH OF AUSTRALIA.

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## PARLIAMENTARY DEBATES.

SESSION 1905.

SECOND SESSION OF THE SECOND PARLIAMENT.)

---

VOL. XXVI.

*Comprising the period from 22nd August to 19th September, 1905.)*

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SENATE AND HOUSE OF REPRESENTATIVES.

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*Printed and Published for the GOVERNMENT of the COMMONWEALTH of AUSTRALIA by  
ROBT. S. BRAIN, Government Printer for the State of Victoria.*

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Bill. The honorable member for Riverina made the astounding assertion that there were 30,000 unemployed in New South Wales at present. This is remarkable, considering that at the time of the imposition of the Federal Tariff we were told that high duties were required in order to encourage Australian industries and provide employment for our workers in reproductive industries.

Mr. TUDOR. — We did not make the Tariff high enough.

Mr. JOHNSON.—Is that the trouble now? We have evidence that in those countries which enjoy the highest protection labour is paid the lowest wages.

Mr. SPEAKER. — The question the honorable member is now discussing does not come properly within the limits of the debate.

Mr. JOHNSON. — There is a Tariff question involved in the Bill.

Mr. SPEAKER. — But the honorable member is discussing generally the question of high or low Tariff.

Mr. JOHNSON.—I do not wish to proceed on those lines except by way of passing reference. There is no denying the fact that there are large numbers of unemployed in New South Wales, as also in Victoria and other States. These unemployed exist notwithstanding that measures such as that now before us have been passed specially for the purpose of obviating such a state of affairs. Such measures have absolutely failed to achieve the purpose for which they were supposed to be designed. The honorable member for Riverina referred to a contract which was entered into by the right honorable member for East Sydney, when he was Premier of New South Wales, with the firm of Mitchell and Co., of Sydney, under which the firm were to receive certain Government work.

Mr. JOSEPH COOK.—The contract related merely to the placing of a Government order.

Mr. JOHNSON.—The honorable member for Riverina led honorable members to believe that the concession made to the firm mentioned was equivalent to a duty of 10 per cent.

Sir WILLIAM LYNE.—So it was.

Mr. JOHNSON.—It was nothing of the kind. The firm was offered a certain order at a price based on the f.o.b. price in London, plus ordinary charges of transit and landing in Sydney. The concession was

estimated to amount to 12½ per cent., but not one penny of duty was to be imposed.

Sir WILLIAM LYNE.—In reality, the concession amounted to 14 per cent.

Mr. JOHNSON.—Even supposing that it amounted to 20 or 30 per cent., not one penny of additional duty was to be imposed on the people. These charges would have been included in the cost of the imported article, so that the consumers would have had to pay whatever they amounted to in paying the market price of the article locally. We might as well say that the difference between the cost of imported pig iron and that of the locally-produced article should afford sufficient protection to the local industry, and that such difference would be equivalent to a certain percentage of duty. And, if that view were taken, it would be the correct one, and would prove that there is no need for any other additional protection. The present proposal would involve handing a large sum of money out of the public Treasury to a certain group of capitalists, who will give us absolutely nothing in return. It is urged that such an industry will afford a large amount of employment. Nobody denies that, but the industry will afford a large amount of employment, whether it be started under a bonus system, a system of protective duties, or any other. Not one more man will be employed by reason of the granting of the bonus. It has also been urged that this is a national industry. It is only a national industry in the same sense as are many others, which are not propped up by means of bonuses. The fruit industry, for instance, might as well be termed a national industry, and the same with coal mining, wool producing, gold mining, the timber industry, and many others. These are all just as much national industries and are equally entitled to be spoon-fed by means of bonuses or protective duties. Further, it is urged that the bonuses are required to protect the workers in the iron industry against the competition of continental countries where low wages are paid. There is no question of protecting this industry against the cheap labour of the European Continent, because, as a matter of fact, that element was taken into full consideration by Mr. Sandford in arriving at his estimate. Notwithstanding the higher rate of wages which obtains here, he found that he could produce pig iron at very much less per ton than it could be imported. I think that the importance of

this subject is such that we ought to have a larger attendance of honorable members. [*Quorum formed.*] In support of my statement that the difference between the wages paid in connexion with English and American productions and those of Australia was fully taken into consideration by Mr. Sandford, I propose to read a few extracts from the evidence taken before the Iron Bonus Commission. Upon page 59, beginning with question 1192, will be found the following:—

*By Mr. McCay.*—Supposing that for five years after your works were started you had a guarantee, either in the form of a duty or a satisfactory bonus, could you stand without the duty or the bonus when you had been five years working up the market?—I may just explain that, so long as our minimum wage is kept up at its present standard, you make the conditions here difficult for people going into the enterprise.

That raises another very big question?—It is the very essence of it. It all depends upon the cost of production, and when I take Government contracts I have to sign an agreement to pay a certain rate of wages.

Are the wages per man higher at Eskbank than they are at Pittsburg, or as high?—They may be as high at Pittsburg, but the wages here are higher than in England or the Continent.

I wish to impress that point upon honorable members, in order that they may see its bearing upon the succeeding questions, which read—

You are allowing for all this in your estimate of 35s. per ton, and I ask you whether, if your markets were guaranteed for five years, either by a bonus or a duty, you could, at the end of the five years, stand the abolition of the guarantee, and fight on open terms with the rest of the world for Australian contracts?—I shall answer that in this way: we are willing to take the risk of what may be done at the end of the five years. Give us the bonus for the five years, and we will put down the plant. You need not think that we are likely to keep that plant idle at the end of the five years. I think you will find that Mr. Jamieson and some other people, as well as myself, are willing to take the risk.

From the foregoing it will be seen that Mr. Sandford admits that in preparing his estimate, he took into consideration the difference between the Continental and the Australian rate of wages. Yet he declares that he can produce pig iron here at a cost of 35s. per ton.

*Sir WILLIAM LYNE.*—His manager says that it cannot be manufactured under 55s. per ton.

*Mr. JOHNSON.*—Mr. Sandford is a man of large experience in this matter—much larger experience than others who gave evidence upon the same point.

*Sir WILLIAM LYNE.*—His manager ought to know something about the matter.

*Mr. JOHNSON.*—I take it that the principal knows quite as much as does his manager. I claim, however, that the payment of this bonus will not permanently establish the industry. That fact is admitted in evidence given before the Commission. Mr. Sandford, on page 59, question 1196, was asked—

You want a chance to establish yourself, and having been given that opportunity, you are prepared to take a fair business risk?—You have already passed division VI. of the Tariff, under which certain duties are to come into operation as soon as the Minister is satisfied.

That is not an answer to my question. You do not think the duties will be abolished. What I want to know is whether, if the duty or bounty, in which ever form the guarantee is given, does disappear, you think you would then be able to continue operations?—I do not think we should continue operations.

Then Mr. Jamieson, in giving evidence upon the same point, is reported on page 52, question 1074, as follows:—

*By Mr. Winter Cooke.*—I understand that you do not think the company could live without a protective duty?—I do not think so.

Here we have the evidence of experts that, if this £250,000 be expended by way of bonus, unless the guarantee is continued in some form or other, the industry will not be able to carry on operations. In the face of such evidence, even if there were no other grounds, it is clear that we should oppose the passing of this Bill. The expenditure for which it provides constitutes only an instalment of what we shall ultimately be called upon to pay. Does not the history of bonuses teach us that when once a bonus has been granted those who receive it are never satisfied? Certainly there is a limit of time fixed in the Bill for the bonus to exist. But we know perfectly well what will happen. As soon as the time limit is about to expire, we shall be met with a plea for the continuation of the bonus, on the ground that if that is not done the industry will perish. We shall find all kinds of excuses manufactured for imposing further drains on the public exchequer to bolster up the industry. In the case of the sugar bounty, we have an instance of what we may expect to occur in this case. We had a declaration from the Treasurer to-day that the Ministry propose to continue the bounty to the sugar industry. It was only granted for a certain period, and what will happen in that case will happen in this and every other case. At this stage, as I have a considerable quantity of matter to deal with yet, I would again ask the Minister if he does not think it a fair thing to

adjourn, especially as it is Tuesday. If he has no objection, I shall ask leave to continue my speech to-morrow.

Sir WILLIAM LYNE (Hume—Minister of Trade and Customs).—I know that many honorable members have travelled a long way since yesterday, and I do not think there will be any objection to the honorable member having leave to continue his speech to-morrow. I hope that my honorable friends opposite will give me a little assistance to-morrow to bring this debate to a close. If the Bill be read a second time to-morrow, I shall postpone its consideration until the following week.

Leave granted; debate adjourned.

### PAPERS.

MINISTERS laid upon the table the following papers:—

Papers prepared by the Treasurer in connexion with his Budget speech.

Minute by the Honorable Sydney Smith when Postmaster-General upon the mail contract with the Orient Steam Navigation Company Limited.

### ADJOURNMENT.

#### MAIL CONTRACT: GARRISON FORCE: ORDER OF BUSINESS.

Motion (by Mr. DEAKIN) proposed—

That the House do now adjourn.

Mr. WILKS (Dalley).—I desire to ask the Postmaster-General whether he will lay upon the table the minute of his predecessor in connexion with the tender of the Orient Steam-ship Company? I am informed that it is a very important minute, and I think, for the benefit of the House and the country, it ought to be produced.

Mr. THOMAS (Barrier).—I desire to ask the Postmaster-General if he can state when the motion dealing with the question of the mail contract is likely to be brought on? I read in the press that the honorable gentleman has given notice to the Orient Steam-ship Company about the termination of the contract, but, in answering a question to-day, he stated that he had not done so.

Mr. DEAKIN.—It is not time yet to give notice.

Mr. THOMAS.—I had hoped that it had been given.

Mr. DEAKIN.—We cannot give an effective notice before a certain time.

Mr. THOMAS.—I think it is very necessary for the House to discuss the whole question of this mail contract as soon as possible. I observe that the Postmaster-General has given notice of a motion on the

subject, and I should like to know if the discussion will be taken shortly, and if not, when?

Mr. AUSTIN CHAPMAN (Eden-Monaro—Postmaster-General).—I have laid upon the table the paper asked for by the honorable member for Dalley, and I hope, either to-morrow or the next day, to be able to go on with the motion.

Mr. KELLY (Wentworth).—This afternoon I tried to elicit from the Treasurer, when he was delivering his Budget, an indication as to whether the Government, in dealing with defence matters, proposed to deal with an important branch of defence which the Prime Minister has admitted is grievously undermanned. But the right honorable gentleman either did not see, or did not care to see, the relevancy of my question, and told me that he was not the Minister of Defence. And, indeed, sir, I am very glad that the right honorable gentleman is not Minister of Defence, for it was under his régime that the Defence Estimates were so disastrously reduced to enable him to go to England. The Prime Minister has stated in the House, and the replies of the Minister representing the Minister of Defence have shown, that the first line of our local defence—the garrison force—is undermanned. By inference, also, the former has shown that the guns are not good enough for the work they would have to do, and that there is no ammunition available for practice, or, if it were necessary, action. I only wish to know this evening whether the Government propose to put these matters right, or to do something in that direction during the present financial year?

Mr. EWING (Richmond—Vice-President of the Executive Council).—Every branch of the Defence Force of the Commonwealth is now under review. The Government is dealing with a scheme, which will be found to be satisfactory. The subject will be dealt with in a comprehensive way.

Mr. JOSEPH COOK (Parramatta).—I desire to ask the Prime Minister if it may be taken that the statement just made by the Postmaster-General is an indication that the question of the mail contract will take precedence of all other business to-morrow.

Mr. DEAKIN (Ballarat—Minister of External Affairs).—The first business to-morrow will be to pass a Supply Bill. Afterwards the debate on the second reading of the Manufactures Encouragement Bill will be resumed, and if we dispose of

that measure by tea-time, as we hope, my honorable colleague, the Postmaster-General, will move his motion relative to the mail contract.

Question resolved in the affirmative.

House adjourned at 10.38 p.m.

## Senate.

*Wednesday, 23 August, 1905.*

The PRESIDENT took the chair at 2.30 p.m., and read prayers.

### PUBLIC SERVICE CLASSIFICATION.

Senator KEATING (Tasmania—Honorary Minister).—I desire to give notice that on Friday next, after the disposal of non-contentious business, I intend to move the adjournment of the Senate for the purpose of affording an opportunity to those honorable senators who desire to discuss the Public Service classification scheme, and submit any views they wish to the Senate.

Senator Lt.-Col. NEILD.—On a motion for adjournment?

Senator KEATING.—Yes.

Senator MILLEN.—Suppose that we were to carry the motion?

Senator KEATING.—I should not mind.

Senator DOBSON.—Following upon that announcement, I wish to ask Senator Keating, without notice, the following questions :—

1. Are Ministers aware that No. 43 of the regulations issued under the Commonwealth Public Service Act 1902 prohibits officers from seeking the influence or interest of any person in order to obtain promotion, removal, or other advantage?

2. Is it not a fact that numbers of the officers have disobeyed such regulation, and that some Members of Parliament have encouraged their doing so?

3. Have Ministers read the report of the Public Service Commissioner, dated 6th June, 1904, stating that he considers the most solemn obligation of his office to be the endeavour to carry out the "will of Parliament," and get rid of "political and other influence" in managing and regulating the Public Service?

4. Is it the intention of Ministers to support the Commissioner in this respect, and do they intend to take any, and what steps, to enforce obedience by all officers to the 43rd regulation?

5. Are Ministers prepared to enforce section 46 of the said Act if the steps they may take to enforce the said regulation are not effectual?

Senator MATHESON.—I desire to know, sir, whether the questions are in order?

The PRESIDENT.—It is difficult for the Chair to say whether a question is in order without seeing its terms. It seems to me that the honorable and learned senator has been arguing the point.

Senator DOBSON.—I was only following the practice which you, sir, have allowed, and which I thought was an unwise one.

The PRESIDENT.—If the honorable and learned senator gives notice of a question which is not in accordance with the standing order it will be altered.

Senator DOBSON.—I am perfectly willing, sir, to bow to your ruling, and I only wish to point out that I have been following a practice which you have laid down.

The PRESIDENT.—The honorable and learned senator has not been following a practice I have laid down. He has been arguing the subject-matter of the questions when the standing order provides that no argument may be introduced.

Senator PEARCE.—I desire, sir, to call your attention to the fact that in these questions the honorable and learned senator reflects upon honorable senators, because he says that public servants have broken the regulation, and that members of the Senate have encouraged them to do so.

The PRESIDENT.—I shall see that the questions are in order before they appear on the notice-paper.

Senator DOBSON.—Do I understand you, sir, to rule that I am not at liberty to read questions which I am asking without notice?

The PRESIDENT.—If the honorable and learned senator will refer to standing order 94 he will see that—

In putting any such question, no argument or opinion shall be offered, nor inference nor imputation made.

Whether the questions are in accordance with the standing order I am not prepared to say, because I have not seen them, but if they are not it will be my duty to alter them.

Senator DOBSON.—I beg pardon, sir, I thought that you were objecting to my reading the questions.

The PRESIDENT.—The honorable and learned senator is quite in order in reading any question which he is asking without notice.

Senator KEATING.—I must ask the honorable senator to give notice of the questions.



## SPECIAL ADJOURNMENT.

Motion (by Senator PLAYFORD) agreed to—

That the Senate at its rising adjourn until half-past 3 p.m. to-morrow.

## JURY EXEMPTION BILL.

Assent reported.

## NAVAL AND MILITARY STAFF CLERKS.

Senator Lt.-Col. NEILD asked the Minister of Defence, *upon notice*—

1. Are Naval Staff Clerks in the service of the Commonwealth under the provisions of the Public Service Act?

2. Are clerks in the Defence Department (Civil Branch), in the District Pay Offices, in the Ordnance Department, and Rifle Clubs Department, under the provisions of the Public Service Act?

3. Is it a fact that clerks who are under the Public Service Act work with Military Staff Clerks, performing similar duties?

4. Why have not the Military Staff Clerks been brought under the provisions of the Public Service Act?

5. How many Military Staff Clerks are there in the Commonwealth Service?

6. From how many of the States have applications been made by the Military Staff Clerks to be brought under the provisions of the Public Service Act?

7. From how many of the District Commandants have recommendations been received for the bringing of the Military Staff Clerks under the provisions of the Public Service Act?

8. Has Major-General Finn, Inspector-General, recommended the adoption of this course, either before or since appointment to his present office?

9. Are not Military Staff Clerks eligible under section 33 of the Public Service Act to be brought thereunder?

10. Is it intended to take early action to bring the Military Staff Clerks under the provisions of the Public Service Act?

Senator PLAYFORD.—The answers to the honorable senator's questions are as follow:—

1. Yes.

2. Yes, with one exception.

3. There are only two clerks under the Public Service Act engaged on duties ordinarily allotted to military clerks.

4. Such was not recommended by the late General Officer Commanding, who stated that he had arrived at the conclusion "that it is highly inexpedient for employes of the Military Forces to be serving under the Public Service Act."

5. Thirty-seven.

6. Three—from the States of New South Wales, Victoria, and Tasmania.

7. Three—from the States of New South Wales, Victoria, and Tasmania.

8. Yes.

9. The question of eligibility or otherwise of military clerks to be brought under the Public Service Act is at present under the consideration of the Attorney-General.

10. The position of the military clerks is at present being inquired into, with a view to full consideration being given to the matter.

I might add that by section 3 military staff clerks are exempted from the operation of the Public Service Act.

## MAIL CONTRACT: WESTERN AUSTRALIA.

Senator PEARCE asked the Minister representing the Postmaster-General, *upon notice*—

1. Is it not a fact that the mail contract between Albany, Western Australia, and Esperance and other ports along the coast to the eastward expire in December next?

2. Is it the intention of the Government to continue the service?

3. If so, will the Government take early action to invite tenders so as to give time to invite full competition for the services required?

Senator KEATING.—The answers to the honorable senator's questions are as follow:—

1. Yes.

2. No decision has yet been arrived at as to the continuance of the service; but the following report has been received:—

"A postal inspector has gone into the matter very fully, and his report shows clearly that the existing expensive service, although chargeable to the votes of this Department, is not necessary for postal purposes, and that the coastal schooner which was employed up to the end of 1904, at a cost of £400 per annum, served our requirements almost as well, while the small progress made in the development of this portion of the State during the past decade (with the aid of a subsidized steamer), and the consequent smallness of the cargo to be carried to and from the various ports, will no doubt preclude the Department from securing a renewal of the steam service at any figure commensurate with its requirements. In the circumstances it would appear desirable that the State Government should be approached with a view to ascertain their views, as to the continuation of so expensive a service, which, it is presumed, would not be maintained were it not for the Phillips River Gold-fields, and as the necessities of these could perhaps be equally well, if not better, served by the inauguration of an overland service between Broome Hill and Ravensthorpe (the centre of the fields referred to), supplemented by the sailing boat from Albany, which still maintains a regular service, notwithstanding the steamer, and by which all coastal mails could be despatched, it is considered that a very substantial saving could be effected. As regards Esperance, the second town of any importance on this coast, an extension of the existing service between Norseman and that township would certainly provide all that is necessary, more particularly as

the Government are now contemplating an early extension of the railway from Coolgardie to Norseman."

The matter will be considered when the alternative tenders, which are to be invited, have been received.

3. Action is being taken to invite tenders, and a notification will probably be inserted in this week's *Gazette*.

Senator PEARCE.—Arising out of that answer, I desire to ask the Minister what steps, if any, have been taken to adopt the recommendation of the inspector, and to approach the State Government?

Senator KEATING.—I would ask the honorable senator to give notice of the question.

The PRESIDENT.—The honorable senator cannot give notice of a question now, as the time for giving notices has expired.

Senator KEATING.—I am not in a position to answer the question. If the honorable senator desires the information privately, I shall endeavour to get it for him.

#### TARIFF COMMISSION.

Senator MILLEN asked the Minister representing the Treasurer, *upon notice*—

1. If the daily allowance will be paid to members of Parliament who are members of the Tariff Commission when that Commission sits in other States while Parliament is also sitting in Victoria?

2. If the daily allowance will be paid when the Commission sits in Melbourne while Parliament also is sitting?

3. If the daily allowance will be paid if the Commission sits in Melbourne while Parliament is not sitting?

Senator PLAYFORD.—The answers to the honorable senator's questions are as follow:—

1. Yes, to members who do not reside in such other State in which the Commission is sitting.

2. No.

3. Yes, to members who do not reside in Melbourne.

#### COMMONWEALTH PRESS WRITER.

Senator HIGGS asked the Minister representing the Minister of External Affairs, *upon notice*—

1. Will the Government cause to be laid on the table of the Senate a copy of the conditions of the contract entered into by the Government with Mr. John Plummer, of New South Wales, in which the latter agreed to write and distribute in Britain certain articles concerning Australia?

2. Is it true that Mr. Plummer's services have been dispensed with, and that an arrangement has been made by the Federal Government to distribute in the United Kingdom a monthly business journal?

3. On what terms, and by whom, has this distribution been undertaken?

Senator PLAYFORD.—The answers to the honorable senator's questions are as follow:—

1. Yes.

2. Mr. Plummer was informed on 20th June last that the existing arrangement will terminate on 20th December, 1905. No consideration has yet been given to the proposed distribution in the United Kingdom of a monthly business journal.

3. Answered by number 2.

#### STATE DEFENCE DEPARTMENTS.

Senator MATHESON asked the Minister of Defence, *upon notice*—

1. Has any valuation yet been made of the armaments and equipment in each State which became vested in the Commonwealth when the State Defence Departments were transferred to the Commonwealth?

2. If so, has any value been attached to the obsolete muzzle-loading artillery in the forts at Sydney?

3. Has any value been attached to the obsolete muzzle-loading field artillery handed over by certain of the States?

4. Has any value been attached to obsolete ammunition and other military stores handed over by all the States?

5. What was the net result of the unreserved sale of unserviceable military stores held in Sydney on the 30th August, 1904?

6. Has any value been attached to these stores; and, if so, what? or was the sale made for and on account of the State of New South Wales?

7. Have any similar sales taken place in any other States by instructions of the various Ministers of Defence?

8. Is it the intention of the Government to furnish Parliament with a valuation and inventory of the property of the States proposed to be acquired, or already acquired by the Commonwealth Defence Department?

Senator PLAYFORD.—The answers to the honorable senator's questions are as follow:—

1. No; the preliminary work is now proceeding in each State.

2. No.

3. No.

4. No.

5. £684 8s. 1d.

6. No. The stores sold were without reserve. The sale was on account of the Commonwealth to make room for more stores.

7. Yes.

8. All necessary information will be given to Parliament.

#### WHITE LABOUR ON MAIL STEAMERS.

Senator DE LARGIE asked the Minister representing the Postmaster-General, *upon notice*—

1. Did the Hobart Postal Conference of 1895 carry a resolution *re* the manning of mail boats by white men?

2. What were the Colonies represented at the Conference?

3. Who were the representatives at the Conference?

4. What was the exact wording of the resolution?

5. Was it carried unanimously?

Senator KEATING.—The answers to the honorable senator's questions are as follows:—

1. The Hobart Postal and Telegraphic Conference held in Hobart in 1895 did carry such a resolution.

2. New South Wales, Victoria, South Australia, Queensland, Tasmania, Western Australia, and New Zealand.

3. The Ministerial representatives in the order mentioned, in reply to question number 2, were:—The Honorable Joseph Cook, M.P., Postmaster-General; The Honorable John Gavan Duffy, M.L.A., Postmaster-General; The Honorable J. A. Cockburn, M.P., Minister for Education, &c., &c.; The Hon. A. J. Thynne, M.L.C., Postmaster-General; The Honorable P. O. Fysh, M.H.A., Treasurer and Postmaster-General; Sir John Forrest, Premier; The Honorable J. G. Ward, M.H.R., Treasurer, Postmaster-General, and Electric Telegraph Commissioner.

4. The Honorable Joseph Cook moved—"That it be made a condition in any future contract that mail boats be manned by white labour only." The Honorable J. G. Ward seconded the motion, which was carried.

5. The records of the Conference do not show that there was any division, or that the motion was not carried unanimously.

Senator DE LARGIE.—I wish to ask another question arising out of the answer given by the Minister. I wish to know whether the Mr. Joseph Cook referred to as representing New South Wales was the Postmaster-General in the Reid Administration in that State; and, if so, has Mr. Reid ever publicly repudiated or signified his disagreement with the action of Mr. Cook?

Senator KEATING.—The answer to question No. 3 states that Mr. Joseph Cook was Postmaster-General in New South Wales.

Senator GUTHRIE.—In the Reid Government?

Senator KEATING.—The Conference took place in 1895. Therefore the question is one that honorable senators can decide for themselves. The question as to whether Mr. Reid has ever repudiated the action of Mr. Cook is one with which this Government has nothing whatever to do.

## SERVICE AND EXECUTION OF PROCESS BILL.

Bill read a third time.

## KALGOORLIE TO PORT AUGUSTA RAILWAY SURVEY BILL.

Debate resumed from 17th August (*vide* page 1103), on motion by Senator Sir JOSIAH SYMON—

That the Bill be now read a second time.

Upon which Senator GIVENS had moved by way of amendment—

That all the words after the word "be" be left out, with a view to insert in lieu thereof the words "not further considered until evidence that the Parliament of South Australia has formally consented to the Commonwealth constructing that portion of the proposed railway which would be in South Australian territory has been laid on the table of the Senate."

Senator MATHESON (Western Australia).—In addressing oneself to the question that this Bill be read a second time, the thing that strikes one most strongly is the extent to which the Bill itself has been ignored by almost every speaker on the subject. There has been a deliberate conspiracy on the part of its opponents to talk about everything except the Bill itself.

Senator Lt.-Col. NEILD.—I rise to a point of order. The honorable senator said that there has been a "deliberate conspiracy" on the part of the opponents of the Bill.

The PRESIDENT.—I do not think that remark is in order.

Senator MATHESON.—I withdraw the term "deliberate conspiracy," and say that there has been an unanimous desire. I think that is equally good. I did not mean the word "conspiracy" in an offensive sense, and the phrase which I have substituted for it will equally well suit my purpose. The Bill is an extremely simple one. It is very short, and is for the purpose of the authorization of a survey. Its opponents with one consent have discussed at length the cost of a railway which the Federal Government may think fit to advocate years hence. They have discussed at nauseous length the possible loss. They have drawn freely on their imagination. They have ignored all facts and all statistics which have been placed before them by their paid representatives, the experts who were employed to consider this question. When they had nothing else to say, they enlarged on the iniquity of the Commonwealth dreaming of the construction of such a railway as this which, as they said, could benefit only Western Australia and South Australia. What I wish to ask the Senate, first of all, is why the

opponents of the Bill have, almost with one accord, come to the conclusion that the expert evidence before them is unreliable; because that has been the basis of nearly everything that has been said so far. The railway experts who have made their report to the Federal Government, are, as I understand it, men who are at the head of their profession in each State. I will mention their names in order that their evidence may be challenged if honorable senators choose to do so. They are Mr. H. Deane, New South Wales, Mr. William Pagan, Queensland, Mr. Alex. B. Moncrieff, South Australia, Mr. Maurice E. Kernot, Victoria, and Mr. C. S. R. Palmer, Western Australia. These gentlemen, if not engineers-in-chief, are at any rate at the head of the engineering departments in each State. They are gentlemen upon whom their States must absolutely rely for the conduct of railway business. They are paid large salaries, and apart from their report, I have been absolutely unable to find a single objection taken to their professional capacity.

Senator MULCAHY.—No one would do that.

Senator MATHESON. — Yet nearly every speaker who opposes the Bill has condemned the statements made by the experts over their signatures.

Senator DE LARGIE.—Either their capacity or their honesty has been challenged.

Senator MATHESON.—Undoubtedly.

Senator GIVENS.—They admit that they put forward their reports on insufficient evidence.

Senator MATHESON.—It is inconceivable that honorable senators should really imagine that professional men, whose professional reputation might be destroyed by their making false estimates in connexion with a Commonwealth project, would do such a thing.

Senator GIVENS.—They said themselves that they had not sufficient evidence.

Senator MATHESON.—The only thing about which they said they had not sufficient evidence was the water question, and they added, "If we had the fuller information which we desired to have, we have every reason to believe that our estimate might be largely reduced." In fact, these gentlemen were so careful of their reputation that they gave an unduly high estimate of the cost of finding water for the construction of the railway. So much for Senator Givens' suggestion that their reports were made on insufficient evidence. If the

evidence was insufficient, it was used to the detriment of the project, and not for bolstering it up. The fact that this is a mere survey Bill has been left out of consideration altogether, and when, by way of interjection, I have endeavoured to call the attention of honorable senators to that fact, I have been accused of lack of intelligence. One honorable senator deliberately accused me and Senator Playford of a lack of ordinary intelligence, and of endeavouring to hoodwink the Senate. I want, at any rate, to commence by dealing strictly with the Bill that is now before us. The motion is that this Bill be read a second time, to which Senator Givens has moved an amendment to the effect that the Bill be not further considered until evidence is laid upon the table of the Senate that the Parliament of South Australia has formally consented to the construction of that portion of the railway which would be in South Australian territory. That amendment is an extremely ingenious form of direct negative. It seems to have been left out of sight that this is a Federal project, and that we should be stultifying ourselves absolutely by going to a State and asking it in advance to allow the Federal Government to take steps for the construction of the railway.

Senator GIVENS.—We have not the constitutional right to build the railway without the consent of South Australia.

Senator MATHESON. — We have to make a survey before we can be convinced that the railway should be built, and the State of South Australia will naturally wait until that survey is made before granting its consent. Only one who was absolutely prejudiced against this scheme would dream of looking at the matter in the way that Senator Givens asks us to regard it. The position is this: The Federal Government brings forward this Bill for the purpose of obtaining a survey by its experts. That survey having been procured, and full information having been placed in our hands, it will then be for the Federal Government to go to the Government of South Australia and say, "This is our project."

Senator GIVENS.—And perhaps get a refusal.

Senator MATHESON.—What rubbish it is for honorable senators to prejudge this question! What evidence is there that we should get a refusal?

Senator GIVENS.—What evidence is there that we should get the consent of South Australia?

Senator MATHESON.—The evidence of common sense. Here we should have the Federal Government approaching the Government of South Australia with a project which, as every honorable senator has pointed out, is undoubtedly to the advantage of South Australia; and yet Senator Givens would have us believe that the South Australian Government would decline to authorize the Federal Government to embark on such a scheme.

Senator GIVENS.—They have so far declined.

Senator MATHESON.—Obviously, because the scheme could not be properly put before them. This is not a case in which a railway is being planned in the interest of one State alone, or of two States. This is the case of a Federal project which is essential to the completion of the unity of Australia. On those lines we ought to discuss the question, and not on the petty parochial lines followed by Senator Dobson and others; and it is on those lines I hope the Senate will eventually vote. A question has been raised in connexion with the reservation of a belt of land on each side of the proposed railway. I do not deny that it would be undoubtedly to the advantage of the Commonwealth of Australia that such a belt of land should be reserved, because a stipulation of the kind would be made by any private promoter of a similar work. Projects were placed before the Western Australian Government, prior to Federation, in connexion with the transcontinental line, and a subsidy of land was then asked for. What is the position? The Government of Western Australia have deliberately reserved from selection a belt of twenty-five miles on either side of the proposed line.

Senator HIGGS.—For what purpose?

Senator MATHESON.—For the purpose of facilitating the construction of the line by the Federal Government. It will be perfectly possible for the Federal Government, when they deal with the Railway Construction Bill at some future date, to stipulate that this belt of country, or some similar belt, shall be transferred.

Senator HIGGS.—Will the line be so crooked that a reservation of twenty-five miles on either side will be necessary?

Senator MATHESON.—I do not know what the honorable senator means by "crooked." What I am dealing with is the question, as I understand it, of a bonus in land. Senator Styles, and others,

for instance, have advocated that a strip of land should be reserved as a bonus to the Federal Government.

Senator HIGGS.—I never understood that before.

Senator MATHESON.—If the honorable senator had paid the attention I have to the debates, or had read *Hansard*, he would have seen that the suggestion for a strip of land has been repeatedly made in a negative sense. Senator Millen complained that the Western Australian Government had not reserved an area of land on either side of the line, and a similar statement was made by Senator Styles, as will be found on reference to *Hansard* for 1904. Western Australia has made such a reservation; and it will be extremely simple for the Federal Government, when they introduce the Railway Construction Bill, to stipulate that this land shall be transferred. It is quite open to the Western Australian Government to refuse to comply with such a condition, as it would be for the South Australian Government, as Senator Givens has pointed out, to refuse to allow a line to be constructed on the route adopted by the survey. But I appeal to honorable senators, whether it is reasonable to expect that the South Australian Government or the Western Australian Government would so refuse? To assert that a refusal is probable, is forcing the most impossible arguments against the construction of the line.

Senator GIVENS.—We shall not have to wait long for consent, if the South Australian Government are ready to give it.

Senator MATHESON.—I can assure the honorable senator we should have a very short time to wait for the consent; but it is impossible to obtain that consent until we have placed some tangible project before the States concerned.

Senator MULCAHY.—Why should the Commonwealth be called upon to propose a tangible project?

Senator MATHESON.—This is a Federal project.

Senator MULCAHY.—It will be when it has passed both Houses, but at present it is merely a Ministerial project.

Senator MATHESON.—It is a Ministerial project placed before us by the Federal Government, and yet Senator Mulcahy asks why it should be introduced by us. To show the prejudice with which this matter is approached by all its adversaries on the eastern side of the

continent, one has only to turn to the *Melbourne Age* of Saturday last, the 19th inst.

Senator MULCAHY.—Do not make us responsible for the sins of the *Age*?

Senator MATHESON.—I have no desire to make any one responsible for the sins of the *Age*. I merely wish to quote the article as an example of the inveterate prejudice with which this question is treated. The *Age* in that issue had a leading article descanting on desert railways generally, and this is what was written—

There is a perpetually recurrent legend in Australia that, as far as the great interior is concerned, it must all be classed as desert. It is the hardest thing in the world to persuade Australian State Legislatures that the pushing of railway lines into the interior would prove a paying investment.

The leading article goes on to speak of possible gold-mines, suitable sheep areas, fine cattle country, and the cultivation of semi-tropical products in Central Australia, all of which, the article points out, are languishing on account of the existing terrible drawback of dear transport. The article concludes—

The construction of 300 miles of railway to open up Central Australia is one of the most important duties which now lie before the people of the Commonwealth. There ought no longer to be any narrow provincial feeling among the various States.

One would have supposed from reading that article, that the *Age*, at any rate, would be found supporting the scheme for a railway to Western Australia.

Senator STYLES.—It is a coastal line with which this Bill deals, whereas the *Age* article refers to a line to the interior of Australia.

Senator MATHESON.—The honorable senator knows nothing about the matter—this is not a coastal line. As the honorable senator very well knows, there can be no line prior to a survey being made—no project, even, of a line. When that survey comes before us, we can discuss where the line shall go. I do not wish to elaborate that point, further than to say that two days later, on the 22nd August, the *Age* devoted itself specifically to the question of the railway contemplated by this Bill, and, after condemning it in no measured terms, and speaking with the most buttery flattery of the hostility of Senator Dobson—

The PRESIDENT.—The honorable senator must not quote newspaper articles commenting on the debates of the Senate.

Senator MATHESON.—I do not propose to quote the article, but merely to state its effect in general terms.

The PRESIDENT.—The honorable senator must not refer to newspaper articles, or give the opinions of newspaper editors, on debates in this Senate.

Senator MATHESON.—The remarks of the newspaper were on Senator Dobson's attitude, and I fancy that reference to the debate was particularly left out. Everything said in the course of the debate in favour of the line was omitted, but Senator Dobson's remarks—

The PRESIDENT.—We do not wish the Parliament of the Commonwealth to be governed by newspapers.

Senator MATHESON.—I shall not proceed to give the comments of the *Age* on the remarks of Senator Dobson, but only in general terms indicate the views of the newspaper. After saying that there should be no longer any provincial feeling amongst the various States, this newspaper, in connexion with the transcontinental railway, asks—

Why should Tasmanian and Victorian money go to pay for it?

I think I may fairly quote that without any breach of the rules of this House or of debate. I wish to emphasize the fact that this is the way in which the opponents of the line invariably deal with the question. Any other line or project for spending Federal money, is approved, whether one, three, or six States are interested; but once we approach this railway, which is essential for the defence of the whole of Australia, we find the narrow provincial view instantly coming to the front, and we are asked the question I have just quoted. A great deal has been said on the question of the cost of this proposed railway. I do not propose to go into the figures which have been vouched for by the experts. It would be folly for me to pretend to criticise them, seeing that I have not before me the data on which those estimates were formed. But I wish to most solemnly protest against the gross exaggeration we have heard in connexion with the cost. Senator Dobson, for

instance—and I shall quote *Hansard*, and not the *Age*—says—

There is nothing, from the defence point of view, which could possibly justify the expenditure of the seven millions or eight millions of money which this line must inevitably cost.

Senator HIGGS. — Has not Western Australia spent about £8,000,000 in the construction and equipment of about 1,500 miles of railway?

Senator MATHESON.—What Western Australia has done in the past is as immaterial as what Queensland has done, or may do in the future. What we have before us is an estimate of the cost by the experts, who, according to Senator Higgs, are so unreliable that he is prepared to dismiss their views with contumely. I should like to ask Senator Higgs about Mr. Pagan, the Queensland engineer employed to report on this matter. I should be quite prepared now to hear from Senator Higgs that Mr. Pagan has been dismissed from his position as incompetent or incapable; but Senator Higgs is dumb. I have made inquiries, and I find that Mr. Pagan is extremely respected in his profession. He is at the head of the branch in which he is employed in Queensland, and in that State nobody would sooner accept his estimates than would Senator Higgs. But just because this railway is connected with Western Australia, not a word that the unfortunate Mr. Pagan has put his name to in the report is to be taken as reliable; and the estimate which he gave of £4,500,000 is swelled and exaggerated by honorable senators into £7,000,000 or £8,000,000.

Senator STYLES.—Is the honorable senator discussing a Bill for a survey or a Bill for the construction of the line?

Senator MATHESON.—I am rebutting statements made in connexion with the cost of the railway, as I am fairly entitled to do, quite outside this Bill. Honorable senators have endeavoured to prejudice this Bill by introducing those extraneous questions, and I am entitled to traverse and deal with their arguments in the fullest way possible.

Senator DE LARGIE.—What was Senator Styles' estimate of the cost?

Senator MATHESON.—Senator Styles has had no data placed before him, and I dismiss his estimate as valueless. And of what value is the opinion of Senator Dobson or Senator Millen?

None of those honorable senators are in possession of the data necessary to enable them to form an opinion, and yet speak after speaker has gone into calculations to prove that right must be wrong. The net point on which various honorable senators have dwelt at length is that of the loss which may fall on the Commonwealth when the railway is constructed. In this connexion, the experts are equally explicit. They point out that the loss on the working of the first year may amount to £68,000, but that at the end of ten years the profit arising from the line will probably amount to £18,000.

Senator DOBSON.—Is that profit after interest has been paid, or only after working expenses have been paid?

Senator MATHESON.—If the honorable and learned senator had read the report—and it is again obvious that he has not done so—he would find that  $3\frac{1}{2}$  per cent. is allowed as interest on cost of construction. In fact, every provision has been made which any reasonable engineer would make in dealing with these estimates of cost.

Senator DOBSON.—Then the rate of interest, as well as the cost of construction, has been grossly under-estimated.

Senator MATHESON.—That is again in the opinion of the honorable and learned senator.

Senator DOBSON.—I know something about that as well as any engineer.

Senator MATHESON.—I quite admit that the honorable and learned senator may give a valuable opinion on the point, but his use of the word "gross" again shows his inveterate tendency to exaggerate. On the very outside, there could only be a difference of one-quarter per cent., and that what the honorable and learned senator refers to as a "gross" difference. To call the difference between  $3\frac{1}{2}$  and  $3\frac{3}{4}$  per cent. a gross discrepancy is characteristic of Senator Dobson.

Senator DOBSON.—Some engineers have put it at only 3 per cent.

Senator MATHESON.—As a matter of fact, the total loss which these engineers estimate could possibly arise during the first ten years would amount to only £250,000.

Senator DOBSON.—Does the honorable senator think that estimate reliable?

Senator MATHESON.—I think it perfectly reliable.

Senator DOBSON.—I should say it was impossible to make any estimate of the traffic on that line. A man might as well guess at it.

Senator MATHESON.—On that question I have an interesting statement from Mr. Palmer, who was one of the five engineers whose report on the subject of the line has been so scathingly dealt with by certain honorable senators.

Senator STYLES.—He was a Western Australian engineer.

Senator MATHESON.—Yes, he was the Western Australian representative on the Commission. Writing on the 19th April, 1905, only two or three months ago, Mr. Palmer said—

Having been the Western Australian member of the Commission, I can testify to the efficiency of the engineers' figures, and to the fact that had the views of the Commissioner of Railways of South Australia prevailed—and he cannot be held as prejudiced in favour of the railway—the probable net results would have been even more satisfactory than those adopted by the Commission.

That is a very valuable piece of evidence. He goes on to say—

Moreover, and I think this should not be forgotten—

though Senator Dobson will probably say it is ridiculous—

the figures are those of professional men who are accustomed to consider and advise on such matters, who hold no political brief for either side, and who have reputations to lose should their figures be proved incorrect ultimately.

That is a point I wish to lay stress on. In the Senate, no doubt, we are all more or less influenced by the political brief which we must hold for our constituents. One is prepared to make very large allowances for differences of opinion arising from that cause. But the gentlemen who made this report had nothing of that kind to influence them. The sole thing they had to consider, especially in a report made to the Federal Government, was, as Mr. Palmer has said, their reputation which they would lose if their figures were proved to be incorrect ultimately. If some honorable senators who have spoken on the question had given a little reflection to this point they would have hesitated before they said some of the things which they have said about these estimates. To show the way in which Senator Dobson treats this matter, I point out that the honorable and learned senator at the close of his speech does not even remember what he said at the beginning of it. I must make some allowance

for the fact that some few months elapsed between the commencement and the conclusion of the honorable and learned senator's speech. This is what he said last year in reference to the South Australian Government—

They had approved of getting the line inspected, the route inspected, and the survey made at the expense of the Commonwealth.

The honorable and learned senator's point was that the Commonwealth was to be saddled with the expense, and he made a very great grievance of it. I shall not quote his remarks on that occasion at length.

Senator GIVENS.—The honorable and learned senator was talking against time then.

Senator MATHESON.—Later on, during the present session, Senator Dobson said something about the survey and the impossibility of passing this Bill until South Australia had consented to the survey. As I had read the honorable and learned senator's previous speech, and knew what I thought he knew, I interjected immediately. "I thought South Australia had consented to the survey being made." At page 966 of *Hansard* for this year it will be found that Senator Dobson replied—

South Australia has not consented in any way of which we can take notice. When the present South Australian Government was a few hours or a few days old the Premier of that State sent a telegram to the Prime Minister to the effect that the State Government consented to the passing of the present Bill, and Mr. Deakin replied in a very fulsome message that he was delighted to receive the assurance. Are we to be put off with such stuff as that?

Senator DOBSON.—Hear, hear. What we require is an Act of Parliament.

Senator MATHESON.—The honorable and learned senator now says that we require an Act of Parliament. He was so disappointed to find that the South Australian Government had consented that he instantly raised his figures, and wanted to make it more difficult still.

Senator DOBSON.—I have never varied in my opinion about the necessity for an Act of Parliament.

Senator MATHESON.—The honorable and learned senator could not have been listening when I quoted from his speech of last year to show that he was then perfectly satisfied that we had the consent of the South Australian Government, and made a grievance of it. The honorable and learned senator now speaks as though that consent had never been given. I now come to deal



with Senator Styles and his arguments. What could be more illogical than the position in which that honorable senator finds himself to-day. He interjected during the debate the other day that there was a loss of £1,000,000 a year on the railways of the States, and when I said "What?" the honorable senator repeated the statement.

Senator STYLES.—On the railways of the other five States.

Senator MATHESON.—That is quite right. I should have said that the honorable senator's statement was that there was a loss of £1,000,000 a year on the railways of the five eastern States. Yet Senator Styles has actually a motion on the notice-paper to the effect that, in the opinion of the Senate, these particular railways should be "transferred to the Commonwealth with as little delay as possible."

Senator STYLES.—In order to relieve the taxpayers of a part of that loss.

Senator MATHESON.—To relieve the taxpayers of the eastern States by throwing a portion of the burden on to the taxpayers of the western State! Could selfishness or want of logic be more emphasized? In the speech which Senator Styles made last year, the honorable senator was horrified at the idea that South Australia, Tasmania, New South Wales, Victoria, and Queensland with deficits in their revenues should be asked to contribute to this necessary defence work. The honorable senator said—

This wealthy State, with a surplus, asks Queensland, with a huge deficit, to assist in building an Inter-State railway.

The honorable senator now thinks nothing of moving, as he proposes to do later on, that Western Australia should shoulder a portion of the burden of these non-paying railways in the eastern States.

Senator STYLES.—The honorable senator has not heard what I have to say about that.

Senator MULCAHY.—The honorable senator must not anticipate a debate.

Senator MATHESON.—I have no desire to do so, but Senator Styles proposes to move that these railways should be transferred to the Commonwealth with as little delay as possible.

Senator GUTHRIE.—Including the Western Australian line.

Senator MATHESON.—These railways have cost £119,000,000, according to figures furnished by Senator O'Keefe, on whom I place the whole responsibility for their accuracy, because I have not checked them.

Senator O'KEEFE.—They are sure to be absolutely correct if I used them.

Senator MATHESON.—I assume them to be absolutely correct for the purposes of the argument. These railways are incurring the following losses:—The New South Wales railways, 1'15 per cent.; Victorian, 1'39 per cent.; Queensland, 1'48 per cent.; South Australian, '66 per cent.; Northern Territory, 4'50 per cent.; and Tasmania, 2'20 per cent. The only railway system in Australia that is earning a profit to-day is that of Western Australia.

Senator STYLES.—The South Australian and Victorian railways have both shown surpluses in the last year.

Senator TRENWITH.—The honorable senator is not up to date.

Senator MATHESON.—I am sorry if that should be so, but I quote the latest figures which were available to me. The profit on the Western Australian railways was .27 per cent.

Senator O'KEEFE.—I used that as an argument why Western Australia should make this survey herself.

Senator MATHESON.—I am quite aware of that, but that is owing to the honorable senator's inveterate parochial attitude. He was arguing quite apart from the merits of the railway, and contended that simply because Western Australia showed a profit on its railway system, that State should go to this undue expense in order to relieve the Commonwealth of its bounden duty.

Senator O'KEEFE.—I argued that because the other States had built their railways, and they were not paying, Western Australia should build her railways, especially in view of the fact that her present lines were paying.

Senator MATHESON.—The honorable senator now corrects his argument, and says that because the other States had built their railways, and they are not paying, Western Australia should build a defence railway for the Commonwealth.

Senator O'KEEFE.—No, no.

Senator MATHESON.—A defence railway, as has been most properly pointed out by Senator Playford—a railway whose chief justification is its necessity for the defence of Western Australia.

Senator STYLES.—The other States have built their own defence railways.

Senator MATHESON.—The other States have spent money on fortifications, and they have now to be paid for by the Commonwealth. They have been taken

over, and will be valued, and Western Australia will have to bear her *per capita* proportion of the cost of these fortifications.

Senator HIGGS. — What did Major-General Hutton say about the defence view of this railway?

Senator MATHESON. — I shall give the honorable senator that information in a few minutes. I am again obliged, unfortunately, to come back to Senator Dobson. The honorable and learned senator has spoken so voluminously on this subject that it is impossible to deal with it without dealing at the same time with the views he has expressed. He takes objection to any connexion between this railway and defence. The honorable and learned senator said that this Bill really was not for the purpose of building a line which would be of benefit to the Federation for defence purposes. I asked—

Does the honorable and learned senator deny that the railway is wanted for defence purposes?

And the honorable and learned senator replied—

I think that Major-General Hutton did what perhaps would have been done by any big-wig who was asked by his Minister to furnish a report on the subject. His report bears, on the face of it, evidence of having been written a little bit to order when he states that this railway might be required for defence.

That, I submit, was a most disgraceful thing to say of an absent man, and it was most characteristic of Senator Dobson.

Senator TRENWITH.—That is a most disgraceful thing to say.

Senator DE LARGIE. — Major-General Hutton was about the last man to take any orders.

Senator MATHESON.—I was going to lay stress on that fact. What do we know of Major-General Hutton? He was, I suppose, the most pig-headed, obstinate man in this Department, whom we have had the pleasure of paying for.

Senator MULCAHY.—The honorable senator has just characterized a similar statement as being disgraceful.

Senator MATHESON.—No. Major-General Hutton took his own view and stuck to it. At any rate, if there was an honest man in Australia who stuck to his own views, and whom nobody could move, he was Major-General Hutton.

Senator STYLES.—Did Sir John Forrest bring before Major-General Hutton a minute on this railway?

Senator MATHESON.—I do not know that the opinion of Sir John Forrest is of much value in this matter. He has expressed many opinions, and I would rather leave him out of the argument, because, if ever I say anything about him, it is supposed to be prejudiced. He did make several minutes, and Major-General Hutton absolutely refused to budge an inch, so much so, that it lends particular stress to the cowardice of Senator Dobson's attack.

Senator Lt.-Col. NEILD.—Is that remark in order, sir?

The PRESIDENT.—I do not think the honorable senator ought to use such language.

Senator MATHESON.—I withdraw the word, sir, and say that it was an unjustifiable unprovoked assault on an absent man who could not defend himself.

Senator MULCAHY.—Senator Dobson is absent now.

Senator MATHESON.—Senator Styles has pointed out that Major-General Hutton's report bears on its face evidence that Sir John Forrest could not move him an inch. Going beyond that, on the 7th April, 1902—that is, anterior to the question of the railway cropping up—Major-General Hutton made his first report on the question of defence. On page 2 he said—

It is, however, necessary to deny access to all cities, towns, and harbors of commercial importance, and to make it impossible for a hostile expedition to establish itself upon Australian soil. To this end careful arrangements must be made to concentrate on any threatened point as many available field troops as circumstances may render necessary. It is hoped that the contemplated extension of railway communication between South Australia and Western Australia may be accomplished at an early stage, as without such extension Western Australia is always liable to isolation in time of war.

Again, he said—

It follows, as a matter of vital importance, that the security of Australia should be placed beyond doubt, and that the security to capital in this country should be assured in the event of any warlike complications.

Senator HIGGS.—Is that all he said about it?

Senator MATHESON.—In reply to a request from Sir John Forrest he made a specific report on the railway question as it concerns Western Australia. He said—

The contemplated extension of railway communication between Kalgoorlie in Western Australia and Port Augusta in South Australia is, from a strategical and military point of view, of unquestionable value.

Again, he made this statement, which is most interesting and valuable, as coming from him—

The potential wealth of the gold-fields, and the vast extent of valuable and unoccupied land in the territories of Western Australia render the acquisition of that portion of the Australian Continent a most valuable prize to foreign nations.

Senator HIGGS.—The honorable senator does not say that a portion of that potential value might be used to build 480 miles of railway line?

Senator MATHESON.—There, again, we have a parochial view expressed. Why, because Western Australia has these advantages, should she go outside the lines of the Constitution, which says distinctly that these expenses are to be borne *per capita*? The honorable senator is dumb for the second time in this debate. Major-General Hutton went on to say—

The strategical situation, moreover, of Western Australia, dominating as it does the southern side of the Indian Ocean, and the converging trade routes from the West, must be considered as of the greatest importance to British and Australian interests.

What could be more conclusive as to the absolute necessity of this line than these remarks by Major-General Hutton? I know what honorable senators will say—that he went on to state that until the equipment and armament of the eastern States were completed, the railway would be of no value for defence purposes. That, of course, is equally sound; but do honorable senators suggest that because we have not yet quite completed our equipment and armament on the eastern side we should delay this very necessary survey? Surely that argument would be a most ridiculous one to advance. Knowing that the survey must take several years to complete, are we to wait until our military equipment is complete before we enter upon that work?

Senator STYLES. — Spend some of the money on defence works in Western Australia, and not on this railway.

Senator MATHESON.—I shall deal with that point directly. The honorable senator is honest in his objections, but he fails to see that it is the isolation which is the difficulty. That is the point on which Major-General Hutton laid stress time after time. You may have your defence works there, but if you are isolated, unless the works are equal to the expedition which is to be brought against them—

Senator STYLES.—That is what they should be.

Senator DOBSON.—That remark can be applied to every part of the Commonwealth. Where is the isolation if Great Britain has the command of the sea?

Senator MATHESON. — If the honorable senator had studied the subject, he would know that it is now universally admitted that the Colonies will have to defend themselves in time of war. All the battleships are, very properly and naturally, to be concentrated round the British Isles, and we are to be left to take care of ourselves.

Senator DOBSON.—Fortify every port and build a railway to it, then.

Senator MATHESON.—Undoubtedly, let us fortify every important port. The honorable senator has never heard, and will never hear, me cavil at the defence of Hobart.

Senator DOBSON.—We had reports written about Hobart twenty years ago, and still not a pound has ever been spent in this direction.

Senator MATHESON.—Does the honorable senator think that because we have slept for twenty years, we are to sleep on for twenty-five years more?

Senator DOBSON.—It is better to sleep over some things.

Senator MATHESON.—This idea of Major-General Hutton's is not a new one. The memorandum circulated by Sir John Forrest shows that, in 1889, Major-General Edwards expressed exactly similar views. He said—

No general defence of Australia can be undertaken unless its distant parts are connected with the more populous Colonies in the south and east of the Continent. If an enemy was established in either Western Australia or at Port Darwin, you would be powerless to act against him. Their isolation is, therefore, a menace to the rest of Australia. . . . The interests of the whole Continent, therefore, demand that the railways to connect Port Darwin and Western Australia with the other Colonies should be made as soon as possible.

It is as essential to have proper means of access to Port Darwin as to Western Australia, but it is not as urgently necessary, because nobody in his senses would dream of saying that the Northern Territory has what has been pointed out in connexion with Western Australia, and that is that the potential wealth of the gold-fields would render its acquisition a valuable prize to a foreign nation.

Senator Lt.-Col. NEILD.—The strategic value of Port Darwin is immensely greater than that of Fremantle.

Senator MATHESON.—The honorable senator will not find that many experts share his view. The majority of experts consider that the necessity for defending Albany, and that corner of Western Australia, is infinitely superior to the necessity for defending Port Darwin. In dealing with this defence question, Senator Styles has, by interjection, suggested that we should be put into a position to resist such attacks as may be made upon us. I do not suppose that any honorable senator has really any notion of the position of Western Australia in respect to defence. To quote from an appendix to the report of the General Officer Commanding for 1903-4, we have a force of 1,603 men according to the establishment, and with the men in the rifle clubs, who are used for filling up the ranks in time of war, we have 2,700 men for the defence of the whole coast. The actual force, however, in the State is only 1,233 men. We have two breach-loading field guns, fifteen pounders, of a type now being discarded by the British Government. The men have no efficient instructors, and are trained to artillery practice with six muzzle-loading guns.

Senator GIVENS.—What has that to do with the railway?

Senator MATHESON.—It shows the absolute necessity for constructing the line.

Senator MILLEN.—It shows the necessity for instructing the men in the State.

Senator MATHESON.—Could an interjection be more puerile? Fancy the idea of instructing 1,200 men to defend that enormous coast-line, together with Perth, Fremantle, and Albany!

Senator MILLEN.—How many soldiers would it take to defend all that country?

Senator DOBSON.—This shows the necessity for universal training.

Senator MATHESON.—In the eastern States we find not 1,233, but 56,691 men as a provision in time of war, and the 28,000 men in Victoria could be thrown into South Australia or Queensland by rail. There is ample provision made for the protection of the eastern States. Yet we find that Senator Lt.-Col. Neild in dealing with the question last session expressed this view:—

The present military organization does not permit the bringing together in the eastern States of a number of troops sufficient to defend Western Australia.

And no doubt he is right. He is an authority. I am not cavilling at the authority. He merely emphasizes the discrepancy between the provision made for us and the provision made for the eastern States—

No arrangement is contained in the defence scheme which is being adopted by the Government whereby the eastern States should be stripped of troops for the defence of the western State. I say emphatically that we have not a man to spare now.

Does this not emphasize the necessity for the construction of the railway?

Senator DOBSON.—No; the necessity for universal training.

Senator MATHESON.—It may emphasize anything which Senator Dobson likes, first of all; but undeniably we come down to this fact, that Western Australia at the present moment, with the military system in vogue, cannot possibly be defended without the railway.

Senator STYLES.—It is the military system that is at fault.

Senator DOBSON.—It will come in time.

Senator MATHESON.—Senator Dobson says that our proper defence will come in time; but he shows no desire to facilitate our getting it.

Senator DOBSON.—I laid down a policy.

Senator MATHESON.—The honorable and learned senator's policy was to take all the little boys and teach them to shoot. Are we to wait until the little boys grow up before we can be defended? What arrangement is to be made with foreign nations not to attack us in the meantime? I wish to know whether section 119 of the Constitution has any value in the minds of honorable senators or not? Because section 119 deliberately provides that the Commonwealth shall be responsible for the defence of Australia. It does not say, as honorable senators would like us to believe, that the Commonwealth shall be responsible for the defence of the eastern States. We have our experts telling us that it is essential for the defence of Australia that this railway should be built, and yet we actually have people cavilling at the expenditure of £20,000 for a survey of the line.

Senator DOBSON.—The honorable senator acquiesced in cutting £170,000 off the Defence Estimates.

Senator MATHESON.—I did nothing of the kind.

Senator DOBSON.—Some of the honorable senator's friends did.

Senator MATHESON.—Really, Senator Dobson should be more accurate.

Senator DOBSON.—The honorable senator acquiesced in it.

Senator MATHESON. — I never acquiesced in it. It has been pointed out that no expedition could land in these States from a foreign country with less than 20,000 men. If such an expedition came to Western Australia, it would find from 1,500 to 2,000 men opposed to it.

Senator STYLES.—There are 80,000 men in Western Australia between the ages of eighteen and forty-five capable of bearing arms. Why not train them?

Senator MATHESON.—It is all very well to say why not train the whole of our men capable of bearing arms. Why not do the same in the eastern States? What I wish to point out is the discrepancy between the existing arrangements for the defence of the eastern States and those for the defence of Western Australia.

Senator DOBSON.—The discrepancy is that, as Major-General Hutton pointed out, we have not an army.

Senator MATHESON.—The discrepancy is that we have 50,000 men armed for the defence of the eastern States because the majority of the legislators live in these States, and desire to see their own homes protected; but because we have only eleven representatives from the West, and legislators can afford to disregard our interests, we have only 1,500 armed men.

Senator GIVENS.—Western Australia did nothing more before Federation.

Senator MATHESON.—That is quite true; but it must be remembered that there is every reason why she did nothing more. Until fifteen years ago there was not the development of wealth that has subsequently taken place in Western Australia. It was only fifteen years ago that that State began to develop her own resources.

Senator GIVENS.—Western Australia could raise more than 1,000 men in five years, surely?

Senator MATHESON.—The honorable senator evidently does not understand that in Western Australia expenditure has been limited by the Federal Government, and in spite of all my efforts I have been unable to get more money spent for defence purposes in Western Australia; because, forsooth—here is the ridiculous thing—the money is allocated on a population basis. One might as well say that, because there

are no more than 150,000 people in Western Australia, foreign nations may be expected only to send an expedition against that State proportionate in number to her population. Therefore, the defence force of Western Australia is to consist of only 1,500 men.

Senator GIVENS.—Has the number of men in the defence force in Western Australia been cut down since Federation?

Senator MATHESON.—Yes, the number was larger before. Now I come to the Federal aspect of this matter. So far I have simply touched upon the defence question. We are accused of taking a parochial view, just as we accuse our opponents of taking a parochial view of the matter. I want to deal with this aspect at some little length.

Senator MULCAHY.—The Western Australian representatives were the first to make that accusation?

Senator MATHESON.—Yes, and I think very properly. I expect to convince, not the honorable senator, but the public, that we are thoroughly justified in looking at it from that point of view. Senator Dobson said in 1904—

I now come to deal with the Federal aspect of the matter. In this regard the proposal stands in about as unhappy a position as it possibly could. The very gentlemen who accuse us of a want of the Federal spirit are themselves the persons who are guilty of an anti-Federal spirit in this matter.

His grievance was that Western Australia expects Tasmania to help. He went on—

So far from the anti-Federal spirit being on this side, it is all on the other side. So far from parochialism being on this side, and honorable senators here taking an unfair or an unjust view of the matter, that charge could be made with a great deal more truth in respect of the supporters of the measure.

Then he went on to say that two States would benefit most enormously from having this territory opened up and made available for settlement. He grudges us that because it is incidental to this great Federal question.

Senator DOBSON.—I do not grudge that.

Senator MATHESON.—The honorable senator said—

The two States will benefit most enormously from having their territory opened up and rendered available for settlement and inspection as regards minerals, for I understand that some good land is to be found along a part of the route. The States will benefit from the increased settlement which must take place. It is idle to compare the direct advantages which they will

get with any indirect advantages which can possibly accrue to the other States. To ask us to treat this proposal as if it were a Federal concern is an act of unfairness which I regret and deprecate. I find it most difficult to carry out my desire to deal with the question fairly, because my friends from Western Australia, who are so deeply concerned in this matter, have been unjustly accusing every opponent of it with showing an un-Federal spirit.

Then he said—

Let them take upon their own shoulders the construction of these enormously long trunk lines and do for themselves what every other State has done.

Further, he went on—

I take it that I have acquired some facility for looking at both sides of a question.

I really do think that I can cordially agree with Senator Dobson in that last expression. I take it that he has acquired a most marvellous capacity for looking at both sides of a question—especially when it is his question, or the other fellow's question. When he was speaking the other day about the advantages that Western Australia would derive from this railway, he enumerated some of them, and I interjected, "What about the tourist traffic?" It occurred to me that, as Senator Dobson was president of the Tourist Association of Tasmania, and knew what a great advantage the tourist traffic was, not of course to Tasmania alone, but to the Commonwealth, he might have had something to say as to it. He is a great authority on the tourist traffic. He appeared before a Select Committee of the Senate on the 13th January, 1902, and gave some very instructive and valuable evidence as to the tourist traffic. He had some very definite views as to encouraging the tourist traffic of Australia to centre in that marvellous little State of Tasmania.

Senator MULCAHY.—At our own expense.

Senator MATHESON.—I wish to quote a little of the evidence that this honorable and learned senator gave when it was a question of spending Federal money in his own State.

Senator MULCAHY.—Our own money, not Federal money.

Senator MATHESON.—The honorable senator is mistaken. As a matter of fact, the money spent is State money, but Senator Dobson did not advocate that.

Senator DOBSON.—Did I advocate anything in my evidence?

Senator MATHESON.—Curious as it may seem to the members of the Senate,

the honorable senator did. He has forgotten that, however, as he forgets many other things. He appeared before the Commission as president of the Tasmanian Tourists' Association, and he said—

I desire to point out that Tasmania is the only ocean State, separated from the mainland by 160 odd miles of sea. I think it is the duty of the Commonwealth to take that matter into consideration. I believe that Tasmania has special claims on account of its attractive scenery and its healthiness, which are essential to the well-being of the Commonwealth, and that it must become absolutely the sanatorium, as well as the pleasure ground, of Australia. I have had considerable experience with tourists for the last thirty-five years, and I know that it is essential to many of the men and women of Australia, and especially for the mothers of young children, to visit Tasmania, not only for pleasure, but also as a matter of health and for the proper bringing up of their children.

The PRESIDENT.—Does the honorable senator think that the question of the mothers of young children visiting Tasmania has anything to do with this Bill?

Senator MATHESON.—Undoubtedly; I wish to connect Senator Dobson's views and his advocacy of a Commonwealth subsidy with his peculiar and parochial objections to a similar subsidy in the case of the Western Australian railway. Senator Dobson lays considerable stress on the 160 odd miles of sea as a gap. But when it is a question of bridging over a gap between Western Australia and the eastern States he says nothing at all.

Senator DOBSON.—Adopt the same means as we did, and build your own trunk line.

Senator MATHESON.—The honorable senator did not advocate each State building its own trunk lines, but advocated the Commonwealth providing means of communication with Tasmania.

Senator DOBSON.—Only so far as it is in the interests of the Commonwealth to do so.

Senator MATHESON.—Because it is in the interests of Tasmania. Senator Dobson went on to say—

I also think that it is the duty of the Commonwealth to do something in this matter. I think so, first of all, because as between State and State, a water-way has a right to be placed to some extent in the same category as a railway.

That is the point—"the duty of the Commonwealth."

Senator DOBSON.—I used the words "to some extent."

Senator MATHESON.—It is perfectly obvious that Senator Dobson claims those privileges for Tasmania because steamer

communication should "to some extent" be placed in the same category as a railway. It would seem, therefore, that a railway has the larger claim—that steamer communication can only "to some extent" be placed in the same category. Yet Senator Dobson desires the Commonwealth to subsidize the steamer communication completely.

Senator DOBSON.—I never said "completely."

Senator MATHESON.—Senator Dobson went on to say—

Tasmania, as a State of the Federation, has a right to have its outlying position in the ocean considered.

Has Western Australia no right to have its outlying position considered, separated as it is from the eastern States by 1,000 miles of unexplored country, and over 1,000 miles of ocean?

Senator DOBSON.—The matter was considered, and yet nothing was done.

Senator MATHESON.—Senator Dobson went on—

What I mean is, that the time will come when, I suppose, a good case will be made out for a railway across the Continent to Western Australia, and the argument will be used that it is absolutely essential, even if that railway does not pay, that the outlying State of Western Australia should be brought into touch and close communication with the other States of the union, and with the more populous parts of the Continent.

I say that the same argument does apply to Tasmania; but how shall we find Senator Dobson voting when he comes to apply his own logic to the unfortunate State of Western Australia?

Senator DOBSON.—I said that the steamers should be subsidized according to the benefits received from them.

Senator MATHESON.—I shall not further quote the actual words of Senator Dobson, but merely inform honorable senators that he went on to say that it was in the interests of the whole Commonwealth that the Federal Parliament should pay the subsidy, which he regarded as essential to the development of Australia, and to the interests of the business of the Commonwealth itself.

Senator DOBSON.—I advocated the payment of a subsidy in proportion to the benefits received. I did not advocate that the Commonwealth should pay the whole subsidy.

Senator MATHESON.—The honorable senator said nothing about "proportion" when giving evidence—that is a fresh development.

Senator DOBSON.—It is not; the honorable senator has read the words—"to some extent be considered."

Senator PEARCE.—Senator Dobson left the distinct impression by his evidence that the Commonwealth ought to bear the whole burden.

Senator DOBSON.—And what was done? Nothing.

Senator MATHESON.—Dealing with the argument of the rough sea voyage, which equally applies to Western Australia, Senator Dobson said—

I have had it from perhaps a dozen men who are accustomed to travel between Tasmania and the mainland that it is an absolute advantage to lose an hour for the sake of letting the bad sailors among the passengers have a little quiet water between the Tamar Heads and Rosevears or Launceston. If a number of passengers, who are bad sailors, are asked to get out of the steamer, which is perhaps rolling or pitching, and to jump directly into a train, they would probably find it a very terrible ordeal. Going by the Tamar, I should like to see the distance shortened by perhaps an hour and a half, or an hour at least. The passengers would then have a sail on perfectly smooth water, and would thus have a chance of pulling themselves together. . . . Many people cannot afford to go further than Launceston, and great complaints have been made as to the discomforts between Sydney and Hobart where travellers are three or four nights at sea.

On those grounds, Senator Dobson advocated a Government subsidy for the steamers to Tasmania; but he entirely ignored the fact that there is a rougher voyage for the unfortunate traveller who proceeds to Western Australia by sea. Finally, Senator Dobson was asked the following question:—

I understand from your evidence that you are in favour of increased or better communication between Tasmania and the mainland, and that you would improve it by means of a subsidy?

The reply of the honorable senator was perfectly unqualified.

I think that is the practical and ordinary way of doing it.

Senator DOBSON.—I spoke of a subsidy in proportion to Federal benefits.

Senator MATHESON.—There was no discussion of proportionate benefits when the honorable senator appeared before the Select Committee. He was the advocate for the Tourists' Association, and went straight-out for a subsidy from the Federal Government. Those arguments, he held, apply to the special means of communication with the little island of Tasmania, but he persistently refuses to apply them in the case of a

railway to Western Australia. Still the honorable senator says that he is not parochial, and that the advocates of the transcontinental railway are.

Senator DOBSON.—I applied those very arguments in my speech, but the honorable senator has omitted to quote them. I not only say, but assert the fact, and defy the honorable senator to contradict it.

Senator MATHESON.—Unfortunately I have not been able to commit the whole of the speech to memory.

Senator DOBSON.—The honorable senator has picked out the parts which suit him.

Senator MATHESON. — I have picked out those parts which show deliberate hostility to Western Australia and deliberate parochialism. Indeed, the honorable senator adds to the argument; he shows how he can look at both sides of the question by maintaining that in his speech he first said one thing and then the other.

Senator DOBSON.—No; in my speech I said that the Commonwealth ought to assist in the matter of the railway in proportion to the benefits which the Commonwealth would receive. I pointed out that the two States concerned would receive 80 per cent. of the benefits, and the rest of the States 20 per cent. I went into details, and laid down a policy.

Senator MATHESON. — And yet the honorable senator calls the proposal before us “as grossly unfair a proposal as possibly could be made to this Parliament.

Senator DOBSON.—And it is grossly unfair.

Senator MATHESON. — What would Senator Dobson have said if any representative of Western Australia had used such words in reference to a recommendation that the steamers to Tasmania should be subsidized?

Senator DOBSON.—I advocated a subsidy only in proportion to the benefits received.

Senator MATHESON.—Nothing was said about that whatever.

Senator DOBSON.—That is plain on the face of my evidence, if the honorable member will read it.

Senator MATHESON.—The report of the Select Committee contains the following:—

That it is desirable that there should be established a daily mail service each way throughout the whole year between Tasmania and Melbourne, and that, as far as practicable, the hours for arrival and despatch of mails should be on every day approximately the same. . . . Your

Committee recommend the Government, in the meantime, to invite tenders for the performance of a six days a week steam service each way between Melbourne and Tasmania, such service to be three alternate days of the week by way of Launceston, and the remaining three days of the week by Devonport and Burnie, due consideration being given to improved passenger accommodation and increased speed.

There is nothing said about the State bearing any proportion other than its due population proportion.

Senator DOBSON.—The honorable senator's construction is preposterous.

Senator MATHESON.—Are we, after all, so very parochial in Western Australia. Honorable senators seem to forget that Western Australia bears a proportionate share, *per capita*, in a very large amount of Federal expenditure, in which it has no interest of any sort or kind. Yet we have never heard a word of remonstrance from Western Australia.

Senator HENDERSON.—Wait a bit!

Senator MATHESON.—As the honorable senator says, “wait a bit.” I can well conceive that no representative of Western Australia would dare to sit in this chamber and support such legislation as has in the past been accepted by that State in a purely Federal spirit.

Senator MILLEN.—“No parochialism”!

Senator MATHESON.—Western Australia has shown no parochialism in those matters.

Senator MILLEN.—Is the honorable senator not doing so now?

Senator TRENWITH.—Has Western Australia not had a Customs revenue in a sense in which the other States have not?

Senator DOBSON.—And Western Australia would not join Federation unless she was promised that Customs revenue.

Senator MATHESON.—That is such an old “gag” as to be scarcely worth dealing with. Still, honorable senators are well aware that Western Australia never had any voice in making that arrangement.

Senator DOBSON.—Western Australian delegates had.

Senator MATHESON.—Western Australian “delegates”! They were the delegates of Sir John Forrest. The honorable senator knows that it is not a fact that Western Australia ever asked for this arrangement.

Senator O'KEEFE.—The Treasurer of Western Australia has had the benefit of the arrangement. Digitized by Google



Senator DOBSON.—And the State has deliberately accepted the benefit.

Senator MATHESON. — Senator O'Keefe is perfectly accurate; the Treasurer of Western Australia has had the benefit of a special Tariff; but at whose expense? At the expense of the residents in Western Australia. Last night the Commonwealth Treasurer laid it down as an axiom that where the Treasury benefits the pockets of the people suffer; and I should be diffident in disputing such an authority on a question of this sort?

Senator O'KEEFE.—The honorable senator does not always accept that authority.

Senator MATHESON.—I do not, but on a question of finance of such importance I should not care to dispute such an authority. I should like to touch shortly on the Federal burdens of which Western Australia bears her proportion without receiving the slightest benefit—burdens against which we have never raised a protest. First of all, £273,000 has been paid in sugar bounties, and it is estimated that this year another £150,000 will go in the same direction.

Senator GUTHRIE.—Does Western Australia object to that?

Senator MATHESON.—Western Australia has raised no objection. I merely point out that the Western Australian proportion was £26,414, for which that State has received no benefit whatever.

Senator TRENWITH.—Is there not a White Australia? Is that not of some benefit to Western Australia?

Senator MATHESON. — The sugar bounty has nothing to do with a White Australia; the bounty is a protectionist gift to encourage the growth of sugar by means of white labour.

Senator O'KEEFE.—Directly it can be shown that it has nothing to do with a White Australia, I shall vote against the bounty.

Senator MATHESON.—The honorable senator knows the fact perfectly well. New South Wales has received £112,000 add for growing sugar with white labour, although in that State sugar has always been grown with white labour, and always will be. The papers which were laid on the table yesterday will give honorable senators full particulars.

Senator MILLEN. — Most of the New South Wales representatives voted against the sugar bounty.

Senator MATHESON.—I do not care who voted against the bounty. What I say is that Western Australia has, without the slightest objection, paid its share of the cost in a truly Federal spirit. Yet the representatives of that State are accused of parochialism. Then there is Western Australia's share in the cost of administration, amounting to £6,657 last year, with probably a similar amount to be paid this year.

Senator GUTHRIE.—From the expenditure of which Western Australia gets benefit.

Senator MATHESON.—Western Australia gets no benefit. What does Western Australia get from the sugar bounty.

Senator TRENWITH.—What benefit does Victoria get?

Senator GIVENS.—If the eastern States were filled with coloured labourers, how would Western Australia be able to defend itself?

Senator MATHESON.—I say that the whole thing is humbug. The coloured labour going out of Queensland must go out of it according to law. But the coloured labour that will remain in the State will work there, and therefore this is not a question of black and white labour, but it simply means that the sugar industry is being fostered to this extent as a protected and exotic industry. The coloured labourers who remain in Queensland must be employed. Do honorable senators suggest that they are to starve? I should advocate their deportation.

The PRESIDENT.—I do not think the honorable senator should go into that matter; he is wandering from the question before the Senate.

Senator MATHESON. — I quite agree that I am, but I should like to say that, as a matter of fact, the area under sugar cultivation in New South Wales by white labour has fallen off instead of increased.

Senator GUTHRIE.—But it has increased in Queensland.

Senator MATHESON.—It has increased in Queensland to a very slight extent. Another thing to which we have to contribute our quota, without objection, though I opposed the matter when it was before the Senate, is the Pacific subsidy. We are paying our share of a subsidy of £8,400 to foster the trade of Sydney with the Pacific Islands.

Senator Lt.-Col. NEILD.—The honorable senator knows that that is a mail subsidy.

Senator GIVENS.—It is nothing of the kind.

The PRESIDENT.—Order! I do not think the honorable senator should discuss these extraneous questions, though he is quite in order in briefly mentioning them.

Senator MATHESON.—I have no desire to discuss them in the least, but to mention them one by one. The next item is the expenditure under the Naval Agreement Act. We are to pay a subsidy of £2,000,000 to the British Government, that is, £200,000 a year for ten years.

Senator MILLEN.—For defence purposes.

Senator MATHESON. — For defence purposes, and the sole result brought about by that Act is the expenditure by the squadron of £300,000 per annum in the ports of Sydney and Hobart. I make that statement on the authority of Senator Walker, who, during the discussion on the subject, interjected that that would be the effect of the measure. That statement is absolutely true. Then we have, in connexion with British New Guinea, another Federal expenditure. We contribute £20,000 to the expense of governing British New Guinea, from which Western Australia derives not one scintilla of benefit.

Senator TURLEY.—What State in Australia derives any benefit from our connexion with New Guinea?

Senator MATHESON. — Undoubtedly Queensland does. The entire trade between British New Guinea and the Commonwealth is carried on between that territory and Brisbane, and other Queensland ports. Though Western Australia derives no benefit from this expenditure, we are paying our share of it. In notice in the Estimates for the current year a proposal to inaugurate an expensive and luxurious telephone system between Sydney and Melbourne at a cost of £34,000, with a balance to be brought forward later on, making the total cost £50,000. The Government propose to spend this money on a luxury for the benefit of Sydney and Melbourne.

Senator MILLEN.—If the Commonwealth were to stand on one side private people would soon undertake that work.

Senator MATHESON.—Of what use is it for Senator Millen to split hairs in that way? I am not arguing as to what the Commonwealth might or might not do.

Senator TRENWITH.—Are these parallel cases?

Senator MATHESON.—Yes, they are; but with the difference that the railway to Western Australia is infinitely more vital.

Senator MILLEN. — One is a Commonwealth function, clearly, and the other is not.

Senator MATHESON.—Senator Millen denies that the railway has any value for defence purposes, and it is only in that view that it cannot be said to be a Commonwealth function. On the other hand, the leader of the Government in the Senate asserts that this is a defence line.

Senator MILLEN.—The leader of the Government in the Senate also said that South Australia would never agree to the line.

Senator PLAYFORD.—I never said anything of the kind.

Senator MATHESON.—That is only another instance showing the grossly unfair way in which this matter is dealt with by certain honorable senators.

Senator TRENWITH. — Senator Playford said that South Australia would never agree to the line unless she could dictate the route and the gauge.

Senator MATHESON.—Senator Playford did not say that South Australia would dictate in the matter, but that what was proposed must be to her satisfaction.

Senator TRENWITH.—That is the same thing, in another way.

Senator MATHESON.—I do not think it is the same thing.

Senator MILLEN.—The honorable senator said, in answer to my interjection, "Quite right, too."

Senator TURLEY.—He said that South Australia must be consulted.

Senator MATHESON.—It is quite right that South Australia should be consulted. Another expenditure to which we have contributed, though not without a word of protest, is that connected with the up-keep of Government House in Sydney. This costs £3,000 per year, and though Western Australia pays her share of that expenditure she does not derive the least benefit from it.

Senator GUTHRIE.—Queensland, South Australia, and Tasmania also pay their share of that expenditure.

Senator MATHESON.—I admit that. I wish to lay stress on this, because Senator Millen was at pains the other day to deny that there was a general understanding in connexion with this railway. Five leaders of the Federal movement have been quoted by Senator Smith as having expressed the

opinion that there was some pledge or understanding.

Senator MILLEN.—Nothing of the kind.

Senator TRENWITH.—Mr. Deakin is quoted as having said that in consequence of Federation the transcontinental railway would ultimately be built. That might be twenty years hence. I could say the same thing.

Senator MILLEN.—None of the gentlemen named affirmed that any understanding had been arrived at.

Senator MATHESON.—I like to be accurate, and I admit that Senator Trenwith has stated what was said by Mr. Deakin. In that sense, we understood that the construction of this railway would follow on Federation. What is the position in connexion with Government House in Sydney? Here also it is claimed that there was an understanding, and that it was arrived at, not between the leaders of the Federal movement, but between Sir William Lyne and Mr. Chamberlain. The other understanding may be put on one side, but the understanding between Sir William Lyne and Mr. Chamberlain is not to be cavilled at or even questioned. It is the sacred inheritance of New South Wales. It is amusing to find honorable senators from Tasmania talking so much about the Federal spirit, because, as a matter of fact, even before Federation, Tasmania showed herself singularly lacking in any Federal spirit. My memory goes back to a meeting of the Federal Council of Australasia, held in Melbourne in 1889. Before that body there was laid a most important measure dealing with quarantine.

Senator O'KEEFE.—Quarantine has nothing to do with this railway.

Senator MATHESON.—It has to do with the Federal spirit, and we have been accused of a want of Federal spirit in this matter.

The PRESIDENT.—Does not the honorable senator think that he is wandering from the point?

Senator O'KEEFE.—I rise to a point of order. I should like to know if the honorable senator is in order in discussing the question of quarantine?

The PRESIDENT.—I have called the honorable senator's attention to the fact that he seems to me to be wandering from the subject. I cannot say that his reference to quarantine is out of order, be-

cause I do not know what he proposes to say.

Senator MATHESON.—I intended to say that this quarantine proposal, to which I have referred, involved Federal expenditure in exactly the same way as this railway.

The PRESIDENT.—Is the honorable senator referring to the Federal Convention?

Senator MATHESON.—No, to a meeting of the Federal Council of Australasia. I am referring to a proposal involving Federal expenditure, to which Tasmania declined to accede, with the result that a very valuable measure was shelved.

The PRESIDENT.—I cannot see that that has anything to do with the question before the Senate.

Senator TURLEY.—The Federal Council of Australasia was a non-representative body.

Senator MATHESON.—The instance to which I have referred marks the attitude of Tasmania in Federal matters.

Senator MULCAHY.—It marks the attitude of only one man.

Senator MILLEN.—What has the attitude of Tasmania to do with the question?

Senator MATHESON.—Honorable senators from Tasmania have accused us of a want of Federal spirit.

Senator MILLEN.—Honorable senators from Western Australia accused other honorable senators of a lack of Federal spirit.

Senator MATHESON.—To return to the question of Federal expenditure, I point out that Tasmania has hitherto absolutely refused to share in the expenditure on the forts at Thursday Island and Albany, although they are Federal forts, on the ground presumably that no enemy could reach her until after he had passed either one or the other.

Senator O'KEEFE.—The honorable senator means prior to Federation?

Senator MATHESON.—No, at the present moment the whole of the expense of the garrisons at Albany and Thursday Island are borne by the other States, and Tasmania pays no share of the cost.

Senator O'KEEFE.—That has never been put before the people of Tasmania.

Senator MATHESON.—What do we find in Victoria in respect to the Federal spirit? It is the practice of Victoria to export her undesirables to the other States.

This is the way in which Victorians show their Federal spirit. We should never dream of doing such a thing in the West. I have here a newspaper cutting of the 19th June, 1905, from which I learn that a Miss Forbes, a girl with a bad record, got a chance from a court on promising to leave Victoria. She was subsequently sentenced by the City Court in Melbourne to twelve weeks' imprisonment, because she had not gone to another State.

The PRESIDENT.—Has that anything to do with this Bill?

Senator MATHESON.—Undoubtedly.

The PRESIDENT.—I cannot see that it has.

Senator MATHESON.—Other honorable senators have been permitted to accuse representatives of Western Australia of displaying an un-Federal spirit. I have quoted Senator Dobson's actual words, and I am prepared to quote them again if the President forgets them. I point out that the Federal spirit is lacking in Victoria most, and the want of it is displayed in an objectionable form.

The PRESIDENT.—Senator Dobson did not go into all these details.

Senator MATHESON.—Senator Dobson made a general statement which he did not attempt to substantiate. I am making particular statements which I can substantiate.

The PRESIDENT.—I have no wish to hamper the honorable senator in his argument, but I really think he is wandering from the question.

Senator MATHESON.—I may say in general terms that I have six most interesting items of evidence to show an absolute want of the Federal spirit on the part of Victoria. I should like to refer to them, but I am debarred from doing so by the ruling of the President. What does it all amount to? The real objection to this line has never been brought to the surface. The real objection of the *Age* is that it would facilitate the emigration of persons to Western Australia from this State, which is going on day by day. There is no doubt that, with the finest climate on our western coast, with our magnificent land, with our regular rainfall, and with unparalleled openings for investment, the entire stream of emigration which flows weekly from Victoria to both Canada and South Africa, would be diverted to Western Australia. I take it—and I make the remark with the conviction that it is absolutely true—that the opposition which is fomented

by the newspapers in this State entirely arises from that cause. They are anxious that the people in the eastern States should be debarred from facilities to reach our glorious State.

Senator O'KEEFE (Tasmania).—Speaking to the amendment, I wish to congratulate Senator Matheson upon the splendid fight he has made for his State. During the debate the representatives of Western Australia have presented the case in as strong a light as it could be put. If any honorable senator is wavering as to whether he should vote for the Bill or for the amendment, he certainly has had very fair reasons furnished in a number of the speeches to assist him in coming to a decision. Having listened to their speeches, both last year and this year, I regret to say that I cannot bring myself to vote for the Bill. I shall vote for the amendment, and, if it is defeated, against the second reading of the Bill.

Senator DAWSON.—Is the honorable senator sorry that he is going to do violence to his conscience?

Senator O'KEEFE.—No; I regret that safer reasons for supporting the Bill have not been furnished. I regret that the representatives of Western Australia, who, I am satisfied, voiced the opinion of a large majority of its people, have not been able to satisfy the representatives of other States that it would be a fair and equitable thing to pass this Bill. To put it briefly, they have a bad case. A few months ago, I had the honour of being a guest of the Government of their State. I found amongst all sections of the community an almost unanimous opinion as to the desirability of constructing this line. I found that a large number of the people in all classes of business were of opinion that the State had been persuaded by false pretences to join the Federation.

The PRESIDENT.—The honorable senator is now discussing the main question, and not the amendment.

Senator O'KEEFE.—If any reason were wanting to make honorable senators vote for the amendment it would be found in the speech delivered last Thursday night by the Minister of Defence. It certainly must have decided the votes of two or three honorable senators, who were wavering in their minds. He laid it down clearly that the Government of South Australia desires a controlling voice as to the route of the survey. He mentioned that the present Premier, Mr. Price, is of opinion that the

people and Government of the State should be able to direct the route of the survey. In most emphatic terms he declared that this was a question in which South Australia should have a controlling voice. We are now told in very forcible language by Senator Matheson that the chief reason for the construction of the line is the necessity for perfecting the defences of the Commonwealth. So far, that reason has always appealed to me more forcibly than any other. If, however, that is the chief reason for advocating this project, I think it is not fair that South Australia should have a controlling voice as to the route. Surely that is entirely a question for the Parliament of the Commonwealth to deal with.

Senator MATHESON.—So it is; they only want to lay down the route.

Senator O'KEEFE.—I am referring to the speech of Senator Playford, in which he said that he, as a resident of South Australia, decidedly agreed with the attitude of its Premier that the Government would not be justified in agreeing to a survey unless they had the right to indicate which route should be taken. It seems to me that the question is inextricably mixed, and that we are not justified in going on with the Bill. We should have a clearer understanding as to whether, in the event of the Bill being passed, the route of the survey is to be decided by the Commonwealth Government and its officials, or whether the Government of South Australia shall be able to step in at any moment, as they could do unless the Bill were altered, and refuse to allow a survey to be taken along the selected route.

Senator MATHESON.—They could refuse eventually to pass a Bill to give their consent?

Senator O'KEEFE.—The Premier of South Australia said that unless the survey were taken in a direction which would suit the Government of South Australia they probably would not consent to the construction of the railway.

Senator MCGREGOR.—They never said anything of the kind.

Senator CROFT.—They agreed to a survey being made, but reserved the right to criticise the route.

Senator O'KEEFE.—When they reserved the right to criticise the route, they also reserved the right to reject it, when probably all the work would have to be done again. Where does the Commonwealth come in? Last Thursday night the Minister of Defence said that the Govern-

ment of Western Australia were charging 100 per cent. more for carrying Tasmanian goods by rail than for carrying locally-made goods. To me that is the strongest evidence of parochialism that we could have. Perhaps the strongest argument which could appeal to the representatives of other States was furnished last night by the Treasurer, when he mentioned that since Federation three States had gained a large amount, and three States had lost a large amount. New South Wales has gained £5,941,408, Western Australia has gained £580,079, and South Australia has gained £49,244. Queensland has lost £2,180,587, Tasmania has lost £796,601, and Victoria has lost £72,792.

The PRESIDENT.—Has this argument any reference to the amendment?

Senator O'KEEFE.—I intended to connect the argument with the amendment, just as Senator Matheson did, but of course I am willing to withdraw the figures if that is your ruling. That is one of the strongest arguments which appeal to the representatives of other States, whose finances have suffered since the establishment of Federation.

The PRESIDENT.—I must ask the honorable senator not to continue a line of argument which has no relevancy to the amendment.

Senator O'KEEFE.—I bow to your ruling, sir. I regret that the representatives of Western Australia, who have made such a strenuous fight for the passage of the Bill, and have worked so hard to bring forward every conceivable detail in support of it, have not been able to make out a stronger case, quite apart from any feeling of parochialism or anything of that sort. Until fuller information is furnished I shall have to support the amendment.

Senator HENDERSON (Western Australia).—I wish to compliment those honorable senators who have so ingeniously manufactured this amendment. It appears to me that it is a beautiful subterfuge.

The PRESIDENT.—I do not think the honorable senator is in order in characterizing the amendment as a subterfuge.

Senator HENDERSON.—I bow to your ruling, sir, and withdraw the remark. At any rate, the amendment is a most ingenious method by which honorable senators may be able to avoid giving a vote on the direct issue. To ignore the right of South Australia to be consulted in a matter that affects her would be absurd. As a Western Australian, I feel quite sure that the position

taken up by South Australia does not in any way warrant the amendment. The South Australian people merely ask that they shall be consulted by the Commonwealth authorities in respect to the route to be chosen in order that an arrangement may be made satisfactory to both parties. There is nothing more reasonable than that such a course should be pursued. We, as Western Australians, can heartily indorse the position of the South Australians in that respect. But for this Senate practically to endeavour to compel South Australia to express herself as to building a railway before the survey is made, is certainly an entirely different question. When an analysis is made of the whole of the facts the evidence may be such as to convince even some Western Australians that the project is one that could not be carried to a completion until years and years have passed. In that case they, as men having an idea of what is right and wrong, would probably consider seriously before attempting to launch the Commonwealth in a project that looked hopeless from the outset. I entirely oppose the amendment, believing that it is simply an ingenious attempt to evade the main question.

Senator Lt.-Col. NEILD (New South Wales).—May I point out in passing how exceedingly awkward it is to have one's remarks on the main question reported in *Hansard* for one session, and one's remarks on the amendment in another set. But unless the Standing Orders are altered, I suppose that that is inevitable. I wish to address a few words to the Senate with reference to the amendment, which proposes the postponement of this matter until the South Australian Government has shown a willingness to permit the construction of the line. It is clearly indicated in the quotations from the official correspondence, read by Senator Playford last week, and published in *Hansard*, that while South Australia does not object to £20,000 of Commonwealth money being spent upon a survey, she most carefully refrains from any indication of her willingness that the railway shall be built if the Commonwealth desires to build it. Those who know anything of matters in South Australia are aware that that State is making a great and costly effort to provide shipping facilities in the Gulf that do not at present exist in the port of Adelaide. There is a strong feeling in portions of South Australia—I have no means of knowing whether that opinion expresses the views of

the majority—in opposition to this proposal.

Senator MCGREGOR.—There is not even a fairly large majority.

Senator Lt.-Col. NEILD.—I have no doubt that the honorable senator has more knowledge of the opinions of the majority in South Australia than I or any one else not living in his State can possibly have. But the fact remains that it is well known that the desire of those who wish to see the railway built is to bring about a terminus of mail routes at Fremantle, thereby taking from Adelaide the position of a place of call for mail boats. Undoubtedly that would be greatly to the disadvantage of South Australia, as is shown clearly by the official correspondence. It is for this reason that South Australia in the correspondence is so careful to say, "You may spend as much money as you like, but we will not give the slightest promise that the line shall be built." I should like to be able to apply these remarks to the general question, but as I spoke on it last session, I cannot do so again. But I think it would be very desirable to add to the amendment of Senator Givens another amendment, that the Bill be referred to a Select Committee for inquiry and report.

The PRESIDENT.—Such an amendment could only be moved after the second reading.

Senator Lt.-Col. NEILD.—I was not aware of that peculiarity in our standing order?

The PRESIDENT.—It is a standing order of every Parliament in Australia.

Senator Lt.-Col. NEILD.—Not, I think, of the Parliament of which I was a member for twenty years.

The PRESIDENT.—I think so.

Senator Lt.-Col. NEILD.—However, I am not proposing to move such an amendment at this stage, though it is a matter that is well worthy of consideration. I make the suggestion in the hope that some other honorable senator who has the right to move such an amendment will consider it.

Senator PEARCE.—Why should not the honorable senator move it after voting for the second reading?

Senator Lt.-Col. NEILD.—I am being supplied with such a large amount of pleasant advice that I am afraid I shall run some risk of being bogged amongst the various proposals.

Senator PEARCE.—Especially as the honorable senator is so unsophisticated!

Senator Lt.-Col. NEILD.—I think it would be better for me to suspend operations with a view to take action at a subsequent stage of the proceedings if I think it desirable. But, meanwhile, I strongly emphasize my view that it is undesirable until South Australia has given an indication of her willingness that we should take further steps in regard to the construction of the line. I do not think we should be justified in spending the considerable amount of the Commonwealth money involved with the almost certain prospect of it being insufficient until we know the mind of South Australia. I would point out also that the Minister in charge of the Bill has carefully hedged himself by not limiting the amount. He does not indicate a belief that £20,000 will be sufficient.

Senator PLAYFORD.—Oh, yes, it will.

Senator Lt.-Col. NEILD.—Under the circumstances, the amendment should, in the interests of the Commonwealth, be carried at the present stage.

Senator PEARCE (Western Australia).—I desire to say that I am opposed to the amendment, because it is entirely unnecessary. No honorable senator has yet shown that the telegrams which have been received from the South Australian Government indicate any desire that its consent to the proposed survey shall be obtained. I think it is as well that honorable senators should look to the history of this matter. If they do so, I am sure that there are some who will be surprised to know whom they are supporting, and what led to South Australia taking the attitude that she did in reference to the scheme. What is the history of this matter? Up to a certain period South Australia was heartily in favour of this proposal, so much so that leading public men of the State pledged themselves to do their utmost to carry out this railway proposal on the accomplishment of Federation.

Senator DE LARGIE.—Not a word was uttered against the railway.

Senator PEARCE.—Not even the leader of the Opposition in the State Parliament raised any objection when the promises referred to were made by the Premier. But something happened. The Jenkins Government entered into a most iniquitous scheme to give away half of the State for the purposes of a railway on the land grant system; and they saw that the

Commonwealth proposals for a transcontinental railway would be likely to operate to the disadvantage of the railway they were prepared to support. It was then, and not until then, that some politicians in South Australia began to raise objections; and I ask honorable senators who are now clamouring for the consent of South Australia to remember that they are playing the same game that was played by the Jenkins Government.

Senator O'KEEFE.—Surely the honorable senator will admit that it is necessary to get the consent of South Australia?

Senator PEARCE.—It is, but consent to what? It is not necessary to get the consent of South Australia to make a survey. That State has never thrown any obstacle in the way of that proposal. What South Australia claims is that, when the question of constructing a transcontinental railway arises, the Government of that State ought to be consulted as to the route. My point is that politicians and others of South Australia never raised this question of consent until they saw that a transcontinental railway constructed by the Federal Government would be likely to hinder the progress of the land grant system line which they favoured. Personally, I do not believe that the people of South Australia regard the proposed Commonwealth railway in the light of a rival to the other scheme. In my opinion, each scheme ought to stand on its own merits, and, under proper conditions, I should be prepared to vote for both. There is no doubt that the suggested Commonwealth railway interfered with the success of the land grant scheme, to which a large section of the public of South Australia were opposed, simply because it was a land grant scheme. The leader of the Labour Party in the State was against the land grant proposal; but the Jenkins Government, in order to further its interests, attempted in every way to block the Federal survey proposal. The whole of the letters and telegrams sent by the Federal Government to the State Government of South Australia, were couched in the most respectful terms, merely asking that the constitutional obligation should be carried out, and that the State Government should make known their views. On the other hand, the letters from the State Government to the Federal Government were written in most insulting and disrespectful language, calculated in every way to force a breach and to drag the Federal Government into disrepute. One

of the blackest deeds which stand to the record of the Jenkins Government is their attempt to gain their object by means of such language. What is the attitude of the people of South Australia? I am not concerned with what is the attitude of the late Jenkins Government. That Government represented those who wished to give away one-half of the freehold of the State to people who were prepared to carry out an iniquitous gambling scheme. I am concerned with the attitude of the representatives in this Chamber of the people of South Australia. Is there an honorable senator from South Australia who was elected as a declared opponent of the railway in respect of which it is proposed to have a survey? Is there one honorable senator from South Australia who was elected pledged to vote against and to block this Bill? I have not heard of one.

Senator MCGREGOR.—Neither is there one from Queensland.

Senator PEARCE.—At the late Federal elections in South Australia, Senator McGregor, Senator Story, and Senator Guthrie raised this question on many platforms. Those honorable senators, I believe, told the people that if they were elected they were prepared to carry out South Australia's part in assisting to bring about the construction of the railway; and those honorable senators were returned at the top of the poll.

Senator TURLEY.—Senator Guthrie does not say that now.

Senator PEARCE.—I think that the division list will show that Senator Guthrie is for the Bill.

Senator TURLEY.—But Senator Pearce is speaking about the construction of the line.

Senator PEARCE.—I am speaking of the Bill before us. South Australia's attitude in regard to the measure is shown by the attitude of the representatives of that State within this Chamber in a more impressive manner than it is by the attitude of those who tried to engineer the land grant railway through the State Parliament. I am surprised that some of our Queensland friends, who in that State fought the greatest fight in Australia against the principle of land grant railways, should be prepared to take the opinion of men who tried to bring about the construction of a railway of the kind in South Australia.

Senator DOBSON.—Every word the honorable senator says proves that an Act of

Parliament by the South Australian State is the only satisfactory form of consent.

Senator PEARCE. — The Commonwealth Government have received a telegram from the Premier of South Australia in these words—

We have no objection to the survey of the Western Australian railway—

Senator GIVENS.—“Provided”?

Senator PEARCE.—There is no “provided” in it—

but we desire to be consulted as to the route. It must be understood that this in no way binds our hands to the ultimate approval of a policy.

I challenge those who wish to put a certain construction on that message to send a telegram to the Premier of South Australia asking whether he and his Government wish to bind the hands of the Federal Parliament as to the number of surveys that shall be made, or as to the route of any survey.

Senator STYLES.—That telegram says so.

Senator PEARCE. — I have the assurance of the Premier of South Australia, given to me personally—and so has another honorable senator—that his construction of the telegram, which was laid before him, is—“So far as we are concerned, you can survey any route you like, and as many routes as you like; the meaning of the telegram is that we are not concerned with the survey which we wish you to go on with, but what we ask is that, when the survey is made, and the Federal Parliament is asked to commit itself to a Railway Construction Bill, the measure shall be submitted to us, in order that we may be consulted as to the route the line is to follow.” I say that that is a perfectly justifiable course to take. The Constitution gives the State certain power, inasmuch as the railway cannot be built by the Commonwealth through any territory, without the consent of the State concerned. The Premier of South Australia would be false to his trust if, while consenting to the survey, he did not notify that, before proposals for construction were introduced, he should be allowed to exercise the right given to him by the Constitution—that he should be consulted as to the route. It is a mere quibbling with the position to say that the State Government ever laid down any condition as to which route should be surveyed; it is ridiculous to suppose that any Government would seek to bind the Commonwealth in that way. The surveyors themselves will not know the exact route



until they have completed the survey, and, therefore, it is impossible for the State Government to tie us down to so many miles north or south of a certain line. The proposition has only to be looked at to reveal its absurdity. It has been said that South Australia objects to any route being selected, because the building of the line would make Fremantle the terminus for the mail boats. In the first place the Western Australian people generally have never expressed any such belief, and, as a Westralian, I have no idea of the sort. I do not think the time will ever come when any port of Australia will be the sole terminus for the mail boats. The disposition is not to shorten, but to lengthen the voyage of those boats, and propositions are already being made to extend the run to Brisbane.

The PRESIDENT.—Is the honorable senator discussing the main question?

Senator PEARCE.—I am dealing with the contention that South Australia's objection is based on the ground that such a railway would make Fremantle the terminus for the mail boats. I am showing that Western Australia has not expressed any such opinion—that it is an unreasonable contention, which bears no weight.

Senator GIVENS.—Not the terminus for the mail boats, but the terminus for the mails.

Senator PEARCE.—Senator Givens has raised another important question. What would South Australia lose by Fremantle being made the terminus for the mails? What on earth does South Australia gain by the handling of a few hundred mail bags at Largs Bay?

Senator GIVENS.—South Australia may think that, if the mail terminus were Fremantle, the boats might not call at Adelaide.

Senator STYLES.—And, of course, the boats would not call.

Senator PEARCE.—The mail boats would continue to call at Adelaide, especially in view of the fact that the expansion of the export trade of South Australia in apples, butter, and farm produce generally would make it worth their while. Are we to understand that the mail boats at present call at Largs Bay for the purpose of giving a few hours' work to the crew—and not to lumpers and wharf labourers, who are not employed in this way—in the handling of a few hundred mail bags? Is that the awful loss that South Australia is to suffer? Is that the secret of the opposition which we are told exists in South Australia to this

railway, but which, I think, I have shown does not exist? Is it not strange to see the wonderful anxiety on the part of Queensland members for South Australian interests?

Senator GIVENS.—I am not anxious for the interests of South Australia, but for the interests of the whole Commonwealth.

Senator PEARCE.—Would it not rather be thought that Senators McGregor, Story, or Guthrie, would rush into this awful breach to save the downfall of the shipping industry of South Australia? No; it has to be left to our Queensland friends to discover that the whole State edifice of South Australia will tumble into ruin because a few mail bags are not landed at Adelaide, but at Fremantle. I think that the people of South Australia should make some sort of presentation to those honorable senators in acknowledgment of their vigilant and valiant efforts to protect the interest of that State.

Senator GIVENS.—The honorable senator is entirely begging the question.

Senator PEARCE.—As Senator Givens well knows, I am prevented from debating the main question, and confined to the matter of South Australia's attitude. I think I have shown—at any rate, I am satisfied on the point—that the amendment is unnecessary. It is not asked for in the interest of South Australia; and, even if it were in those interests, it would be a reflection on the representatives of that State that they should not have been the first to move.

Senator GIVENS.—I moved the amendment in the interest of the Commonwealth.

Senator PEARCE.—I am satisfied that South Australian representatives are the best guardians of South Australian rights. South Australian senators, however, have satisfied themselves that the amendment is unnecessary, and the Premier and Government of the State have shown by their telegram, that they are prepared to guard their rights when the proper time arrives, which will be when the proposal is made to construct the railway. Senator de Largie reminds me that, while Senator Givens has never gone to the trouble to go to South Australia to find out the opinion of the people there. Senator de Largie, Senator Smith, myself, and various other Western Australian members have been to that State for that purpose. We have addressed large meetings there, and at every one of those meetings

resolutions were carried, not only in favour of this Bill, but of the construction of the railway.

Senator MULCAHY.—Why not come to Tasmania and enlighten the people there about it?

Senator PEARCE.—We are prepared to do that, and, judging from the remarks of some honorable senators from Tasmania on this Bill, they badly need enlightenment on this question. I should think that Senator Givens, having the interests of South Australia in this matter so much at heart, might have consulted the South Australian people. I am not aware that at any big public meeting in South Australia the honorable senator has been called upon to stand up for the rights of that State.

Senator GIVENS.—I am not so much concerned with the interests of South Australia as with the interests of the Commonwealth in the matter.

Senator PEARCE.—I take it that a certain provision was inserted in the Constitution in order to safeguard State rights. You, Mr. President, were a member of the Federal Convention, and helped to frame the Constitution. When agreeing to the provision to which I refer I have no doubt it was your intention that South Australia should have the right to say in the last resort whether a certain railway should be built through her territory. We have a State Government charged with the duty of seeing that the Federal Parliament does not impinge on their authority. We have in this Senate six representatives of the State, whose particular duty it is to see that the rights of the State are not impinged on. The State Government of South Australia have not yet said that they object to the construction of this line, or that they object to this proposed survey. I understand that the six honorable senators representing the State here will vote for the proposed survey.

Senator STYLES.—We have not heard anything from the State Parliament at all.

Senator PEARCE.—It remains for a Queensland representative to step into the breach and save South Australia from having her rights voted away by her representatives in the Senate.

Senator GIVENS.—If the opinion in South Australia is as the honorable senator has stated, there will be no trouble in getting her consent to this proposal, and we can then proceed properly.

Senator PEARCE.—Senator Styles has stated that the South Australian Parliament

has said nothing on this matter. I remind the honorable senator that there is in the South Australian Parliament a very vigilant Opposition, and if Mr. Price in his telegram has in any way jeopardized the rights of South Australia—

Senator STYLES.—He could not do it.

Senator PEARCE.—Or had done anything against the interests of that State, the very vigilant Opposition would be the first to raise an outcry on the subject in the South Australian Parliament. This incident has occurred at a very crucial period in the history of the present South Australian Government, when the Opposition are looking for something with which to fight them, and yet no member of the South Australian Parliament has objected to the terms of Mr. Price's telegram.

Senator FRASER.—He is not entitled to speak for the South Australian Parliament.

Senator PEARCE.—He is more entitled to do so than is any other member of that Parliament, because he is the leader of a Government which possesses the confidence of that Parliament, or it would not be where it is. I take it that in this matter Mr. Price has spoken for the South Australian Parliament, because every member of that Parliament was free to criticise the telegram adversely, and no member raised his voice against it.

Senator STYLES.—Let the South Australian Government introduce a Bill on the subject, and there will soon be voices heard against it.

Senator PEARCE.—I think I have shown that we have the consent of South Australia for all that is necessary for the purposes of this Bill. I have shown that that State is prepared to support the Bill from the statement of a representative of her State Parliament, and from the statements of her Federal representatives. It is, therefore, hypocritical that an amendment of this character should be brought forward by an honorable senator representing a State within whose borders no part of the proposed railway will be constructed, and which cannot be affected by South Australia giving up any of her rights under the Constitution in this matter.

Senator MULCAHY (Tasmania).—I should like to begin my remarks by expressing a hope that the compliments which have been passed from one side to the other about parochialism will cease. I should be the last to accuse honorable senators who are so strongly supporting this Bill of

being actuated solely by parochial motives. I have interjected during the debate that I think they should be the last to attribute such motives to any one opposing the Bill.

Senator DE LARGIE.—Therefore, we are most likely to be provincial?

Senator MULCAHY.—I think it might be admitted that honorable senators from Western Australia are looking forward to a benefit to be gained by their State in which the other States will not participate, and therefore they should not be the first to make these somewhat offensive charges. Honorable senators will admit that Tasmania can receive absolutely no benefit from this proposal.

Senator DE LARGIE.—I do not admit anything of the kind. Tasmanians will get their letters from Western Australia two days sooner.

Senator MULCAHY.—I do not propose to deal with that now. I hope to be able to get through my speech without saying anything to wound the susceptibilities of honorable senators from Western Australia. I believe I can suggest sufficiently strong reasons for opposing this measure without descending to anything of that kind. Whatever action may be taken, I trust that the Bill will be defeated or carried by an absolute majority of the Senate. I have already shown that I shall not be one to participate in any unfair tactics in order to defeat the measure.

Senator DE LARGIE.—All the tactics have been tried; it is too late now to make excuses of that kind.

Senator MULCAHY.—I make no excuses of any kind. I have not so far spoken on the Bill, and I have no need to make excuses for other people. I do not propose to discuss the question as to whether this so-called transcontinental railway shall be constructed or not. I admit frankly that the expansion of Western Australia, and of her sister State, South Australia, will probably in the near future afford a very much better justification for the construction of this line than any that now exists. I believe that the construction of a railway connecting Western Australia with the eastern States in the Federation will become a national necessity in a short time. The question we have to discuss is whether, as senators who have in a particular way intrusted to them the guardianship of the rights of their States, we can consent to the Commonwealth directly, or by implication, assuming the responsi-

bility for the construction of this line. Several honorable senators have stated that this vote of £20,000 is asked for merely for investigation purposes. They have denied that they will attach any further responsibility to the action of the Federal Parliament than can be associated with the mere voting of this £20,000 for this purpose of inspection. I differ from honorable senators on that point, because, even in their speeches on this Bill, they have referred over and over again to the construction of the line.

Senator CROFT.—In answering arguments put forward by those who oppose the Bill.

Senator MULCAHY.—Senator Croft did good service for his State by dealing with technical matters which threw a great deal of light on the question. The honorable senator appeared to think there was some reason for showing that the construction of the line would not be so costly as some honorable senators assume. What was the honorable senator's object? The honorable senator also said that he would not ask any member of the Senate to vote for the construction of the line if the survey disclosed that there would be particular difficulties. With all due respect to the honorable senator, I say, "Thank you for nothing." Who would think of asking the Senate to vote for the construction of a line if the surveyors reported that it would be inadvisable, or very costly? To follow the argument used by Senator Croft and his colleagues to its logical conclusion, if we vote for the survey, and the subsequent report from the surveyors is to the effect that the line can be constructed comparatively easily, and for £4,000,000 or £5,000,000, the average estimate of its cost of construction, we shall be bound to support it. Senator Croft and his colleagues will in such a case contend that we have committed ourselves.

Senator CROFT.—Surely the honorable senator is not afraid of that?

Senator MULCAHY.—Why are we asked by the wealthiest State in the Federation to vote this paltry sum of £20,000, unless there is something behind it?

Senator MATHESON.—Because it is a Federal matter.

Senator MULCAHY.—Who says it is a Federal matter?

Senator MATHESON.—The Government—the honorable senator's Government.

Senator MULCAHY.—There is no Government here that is my Government. I am

quite an independent member of the Senate. What is behind this vote for a survey? Is it not the construction of the railway?

Senator PLAYFORD.—That will not follow necessarily.

Senator MULCAHY.—It will not necessarily follow if the surveyors report that it would be too costly, or that it ought not to be constructed, but if the survey discloses that it can be constructed within the estimates, or guesses which have been made of the probable cost of construction, what will be expected of us? Will it not be said that having already put our hands to the plough, we should not turn back, but should go on and construct the railway?

Senator CROFT.—If any other inquiry should justify action on the part of the Commonwealth, would not the honorable senator support it?

Senator DOBSON.—I quoted Sir John Forrest's words, in which he said that any one voting for this Bill must vote for the construction of the line.

Senator MULCAHY.—I propose to quote the words of some honorable senators on this question. Senator Pearce has said with regard to it—

This is a proposal for making Federation with Western Australia a real Federation.

I shall have some reference to make to a real Federation before I sit down.

I refer, of course—

to what?

to the construction of the proposed railway from the east to the west.

A little later on the honorable senator said—

They would not be doing their duty if they consented to the construction of this railway merely from a spirit of good fellowship.

Quite a sound principle—

They had the right to ask for, and they should be given good reasons why the railway should be constructed.

Is there anything about the survey there?

Senator PEARCE.—I want the survey to enable honorable senators to get those reasons.

Senator MULCAHY.—I suppose the Premier of Western Australia is responsible for the issue of the very interesting pamphlet entitled, "The West Australian Union Railway." I suppose he may be taken to speak for the people of Western Australia, as Senator Pearce claims Mr. Price to have spoken for the people of South Australia.

Senator PEARCE.—No; that was Mr. James, and he has been rejected by the people of Western Australia.

Senator MULCAHY.—Not on this question.

Senator PEARCE.—On every question.

Senator MULCAHY.—Then I suppose that by-and-by, when Mr. Price is rejected the honorable senator will turn round, and say that what he said on the subject of this railway has been rejected by the people of South Australia?

Senator MCGREGOR.—He is not going to be rejected.

Senator MULCAHY.—These may not be the words of the Premier of Western Australia, but they are contained in a pamphlet issued with his authority. I find this statement made—

The bridging of this gap with the iron road is an undertaking which it is proposed that the Federal Government shall now carry out as work of national interest, and one essential to full Federal security.

Senator DE LARGIE.—Some prominent Federalists of Tasmania used that as an argument to induce Western Australia to join the Federation.

Senator MULCAHY.—I am not concerned with the inconsistencies of other persons, and I am not to be saddled with their sins.

Senator DE LARGIE.—Repudiation is so general that no one is surprised at it.

Senator MULCAHY.—I dislike the use of that word, and the honorable senator is not helping his cause by using it.

Senator DE LARGIE.—It is the truth, all the same.

The PRESIDENT.—Order!

Senator MULCAHY.—The more temperately this debate is conducted the better it will be for the question under consideration, and the dignity of the House. Who is asking for this vote of £20,000 to carry out a survey? It is asked for by Western Australia, a large and important State, with a population of 200,000.

Senator PLAYFORD.—It is part of our defence scheme.

Senator MULCAHY.—I do not accept the Minister as a satisfactory authority on matters of defence.

Senator PLAYFORD.—But look at the reports of Major-General Edwards and Major-General Hutton.

Senator MULCAHY.—It is proposed to see if the two railway systems can be connected by a line 1,100 miles long, and to

carry out the inquiry at the expense of the Commonwealth. I admit that South Australia is associated with Western Australia in this matter, but the request for an inquiry comes from the latter State, which joined the Federation under specially favorable terms. I object to the Federation assuming a large responsibility of this kind until we are truly federated. Western Australia was allowed to tax the products of other States on a diminishing scale for a period of five years, and, acting with New South Wales, she secured the adoption of that wretched un-federal system known as the book-keeping arrangement.

Senator WALKER.—It was the Convention which framed that provision.

Senator MULCAHY.—It was done at the instance of New South Wales, and it is a most un-federal provision. Western Australia, which yields nearly £9,000,000 worth of gold annually, is asking little Tasmania to bear the expense of this project.

Senator DE LARGIE.—Does it want to get its hand into our pocket?

Senator MULCAHY.—No; I desire all the States to be partners on even terms. I do not like the idea of Western Australia carefully conserving to herself every penny of her revenue during the time of prosperity and preparing to bleed the Commonwealth when the time of adversity comes round. With the enormous debt she is piling up, the time will come when she will be glad to get assistance and will come to the Commonwealth for it. The Constitution contains a provision which is said to have been put in for the benefit of Tasmania, and which allows the Commonwealth to assist a State in financial difficulties. I have always advised the electors of Tasmania to pay their way, and not to appeal for help to the Federation, no matter what expense it may have caused to them. This is a very great question, indeed, but behind it is a still greater question, and that is the nationalization of the railways of the States. What sort of a business proposition is the project to which we are now asked to commit ourselves, and the Commonwealth must look at it as a business concern? Suppose that we offered this as a concession, with a land grant thrown in, to a number of capitalists, and said to them, "Here you can come in, and construct 1,100 miles of railway under certain conditions. The position when the line is constructed will be that

the front door of it will belong to Western Australia, and the back door to South Australia. The intervening section will be yours." How many capitalists would touch it? And this will be the ownership the Commonwealth will have.

Senator STYLES.—Who would work it?

Senator PLAYFORD. — South Australia would work one end, and Western Australia the other. It would not pay the Commonwealth to work the line.

Senator MULCAHY.—Who would make any profit out of the working of the railway? Who would have to foot the bill for its loss each year? Even the advocates of this scheme estimate a loss of £60,000 a year, to start with. If that is the case, what sort of a business scheme can it be called?

Senator PLAYFORD.—Tasmania would not lose much.

Senator MULCAHY.—The Minister of Defence said more the other night to damage this proposal in the eyes of business men than did all the arguments which had been advanced against it.

Senator PLAYFORD.—No. What did I say?

Senator MULCAHY.—The honorable gentleman pointed to that which must be evident to every one. He said, "You are going to have a break of gauge."

Senator PLAYFORD.—There need not be a break of gauge.

Senator MULCAHY.—Then what becomes of the argument that, by the construction of this line, we should save a vast amount of time?

Senator PLAYFORD.—A train could be run on a 3 ft. 6 in. line as fast as the express trains are now run from State to State.

Senator MULCAHY. — The figures which have been quoted to the Senate are not calculations, but mere guesses. No one need discount the ability of the engineers to deal with the subject, but they frankly admit that they had to make their report on second-hand evidence, and very little of that, indeed. Let us take the evidence of Mr. O'Connor, who cannot possibly be said to be prejudiced against the proposal. I shall select his first report, which was dated the 1st May, 1901.

Senator MATHESON.—Surely the last report is the best one to take?

Senator MULCAHY.—Can the honorable senator tell me truly that there was very much more information before the

engineers who made the last report than there was before Mr. O'Connor?

Senator MATHESON.—Yes; an enormous amount of additional evidence.

Senator STANFORTH SMITH.—They got the opinions of Mr. Muir, M.I.C.E., who had travelled over the whole line.

Senator MULCAHY.—Yes; and they demonstrated that there is water to be had at one spot in a distance of 1,100 miles.

Senator DE LARGIE.—There have been two parties over the line since then.

Senator MULCAHY.—I suppose I can read this portion of Mr. O'Connor's report—

In an undertaking of this magnitude, traversing 1,100 miles of country, which is mostly uninhabited, and uncultivated, and waterless, although there are no engineering difficulties to contend with, there is necessarily a good deal of uncertainty as to its probable cost.

That text is as good to-day as it was in 1901.

Senator PLAYFORD. — The honorable senator is arguing in favour of a survey being carried out.

Senator MULCAHY.—I am arguing in favour of a survey being made, if the Minister so wishes, by those who are interested in the construction of this railway, and not at the expense of Tasmania, which has no interest in the project further than the possibility of losing, through its construction and working, a large sum which she cannot afford to lose. Mr. O'Connor's estimates of the traffic on the line have quite recently been adopted. But I wish to point out the absurd basis on which they have been built. In his report he says—

As regards basis for estimate of probable receipts, we have data as follows:—

The average number of passengers each way per week, between Fremantle and the Eastern States, for the last three years, has been about 400, and it has been fairly uniform for each of the three years.

Counting both journeys, this means 800 passengers per week, namely, over 40,000 a year, the majority of whom reside upon, or are connected with the gold-fields, and would consequently probably go by overland railway in order to save time, and to keep in touch with their business, unless it involves considerable extra expense. Instead of involving extra expense, however, it will, on the contrary (as is evidenced by tables "A" and "B" herewith), be, in many cases, much cheaper for them to go by overland railway, if constructed, than to go by sea.

Side by side with the cost of travelling by rail from Kalgoorlie to Fremantle, and thence by water to Adelaide, this engineer put down the charges then made by the

deep-sea boats, and also by the Inter-State boats. Since that time I understand that the rates on the latter have been reduced. But, adopting that basis, it seems to me, from a careful perusal of the report, that Mr. O'Connor assumed that every one of these 40,000 passengers would forsake the boats immediately and travel by the trans-continental railway.

Senator FRASER. — Not one-fourth of them would.

Senator MULCAHY.—I do not think it is at all likely that they would.

Senator STANFORTH SMITH.—If cheaper I think they would.

Senator MULCAHY. — In some cases the passengers might use the railway.

Senator STANFORTH SMITH.—This estimate is calculated on the ordinary Australian rates.

Senator MULCAHY. — No; there are two rates, namely, 1d. and 1½d. per mile.

Senator STYLES.—There is no such rate as the latter in Australia.

Senator MULCAHY. — Taking the second case, what revenue would be obtained from the carriage of 40,000 passengers at £4 11s. 8d. each?

Senator MATHESON. — The honorable senator might as well discuss the tariff in the refreshment bars.

Senator MULCAHY. — Although the honorable senator deprecated the introduction of extraneous matter, still he erred a great deal in that respect. In my opinion, this calculation is relevant to the subject-matter of the Bill. At the rate laid down by Mr. O'Connor, 40,000 passengers per annum would give a revenue of £183,333 6s. 8d. His estimate of the total receipts was £240,000. Apparently, he has only allowed £56,000 for goods traffic. But it goes without saying that the goods traffic along 1,700 miles of railway would not be very considerable in competition with sea traffic, though there may be some intermediate traffic in stock and perishable goods.

Senator MCGREGOR.—What does the honorable senator mean by speaking of 1,700 miles?

Senator MULCAHY.—I was speaking of the whole line between Adelaide and Fremantle, because not much stuff is likely to be taken on at Port Augusta. The traffic, if there is any, will be between Adelaide and Fremantle. But even if we knock off 600 miles, how many people will send goods 1,100 miles by rail when they

can send them by water at one-half the cost? I mention this to show the wretched manner in which this project has been put before us. No harm will be done if the matter is delayed. On the contrary, great good will be done if an opportunity is afforded to Western Australia and South Australia to demonstrate the feasibility of the proposal. Then they can come to the Federal Parliament and ask for Commonwealth assistance, in which case I venture to say that even the Tasmanian representatives will be prepared to give them a fair hearing. But if once we put our hands to the plough, and plough this furrow right out, we shall be initiating a departure from the very safe non-borrowing policy which the Commonwealth has hitherto followed. If there is one thing more than another which stands to the credit of the Labour Party it is the non-borrowing policy, for which I believe they are responsible, and for which I have always given them every credit. But how are we going to construct 1,100 miles of railway at a cost of £4,000,000, at the lowest estimate, without borrowing? Will Western Australia, which has no income tax and no land tax, consent to direct taxation to provide the money?

Senator GUTHRIE.—This Bill is merely for a survey.

Senator MULCAHY.—I believe that the honorable senator is satisfied that that is the case. No doubt he is voting for the survey under the impression that he is not committing himself to go any further. I can quite understand that the representatives of South Australia feel interested in this line, and in obtaining information about it. They are deeply interested in getting the Commonwealth to construct the line without it costing their State anything.

Senator GUTHRIE.—South Australia does not want the line if it is not warranted.

Senator MULCAHY.—It is pleasant to hear that South Australia is so unselfish.

Senator MCGREGOR.—The honorable senator would not give us the chance to find out whether the construction of the line would be justified or not.

Senator MULCAHY.—I would give to South Australia and Western Australia every possible chance. We are doing nothing to prevent those States from spending £20,000 for the purpose of a survey if they wish to do it. Nobody would attempt to interfere with them. After they had obtained that information, we should be willing to consider it.

Senator CROFT.—Would the honorable senator accept that survey? He would not accept the report of the engineers-in-chief.

Senator MULCAHY.—We have no report worth the paper it is printed on. I decline to accept a report signed by people who have not passed over the ground. The engineers themselves admit their inability to form a just estimate. Senator Smith knows something about surveying, and he knows that a mere traverse of the country is not sufficient to give any idea of what the cost of a railway will be. There are many other things in connexion with the line than the engineering difficulties. There is the possibility of sand-drifts covering up the railway altogether. When Federation has had time to develop, and we have fuller information, we may be more inclined to look at this matter in the light of a national work than we are able to do now. But at present, I doubt whether we should be justified in authorizing even the beginning of such a work on grounds such as have been put before us. The most that has been said in favour of it is that the line will possibly be useful for defence purposes. I am sorry that Senator Givens has proposed an amendment. I should prefer to defeat the Bill straight-out, but I feel that it is my duty to support the amendment as it has been proposed, because we ought to take all fair means to postpone the consideration of this subject by the Federal Parliament until all the information which can be supplied by the States most interested is forthcoming.

Senator TURLEY (Queensland).—It seems to me that since this question has been under discussion, senators from two States—Queensland and Tasmania—have been more particularly assailed by honorable senators who support the project. Senator Pearce was very much put out this afternoon because Senator Givens had moved the amendment that is now before the Senate. Evidently, in Senator Pearce's opinion, Senator Givens had no right to move in this direction, because he happened to come from Queensland. Nor had he a right to decline to vote for the project, because he wanted further information, and desired to have the assent of the State which, after Western Australia, is most deeply interested—not through its Premier, but through its Parliament. It is not sufficient that the Premier of a State should say that this or that thing should be done. During the course of this debate, we have had brought up the c

of various men in politics before Federation took place in reference to the transcontinental railway.

Senator DE LARGIE.—We cannot hear of any one who was against the railway before Federation.

Senator TURLEY.—No one ever heard of the matter in Queensland prior to Federation. It was only after the Commonwealth was established that we heard that there was such a proposal as this Western Australian railway.

Senator DE LARGIE.—The honorable senator never said a word against it during his election campaign.

Senator TURLEY.—I absolutely deny the honorable senator's statement.

Senator DE LARGIE.—Give us some proof.

Senator TURLEY.—I could give proof from the mouths of honorable senators who heard me answer questions from the platform.

Senator DE LARGIE.—We have the word of other Queensland senators against Senator Turley's.

Senator TURLEY.—The reply which I gave from the platform was that I was totally impartial as far as this project was concerned. It is a matter of absolute indifference to me whether the honorable senator who interjects believes me or not.

Senator DE LARGIE.—There is no doubt about the honorable senator's impartiality!

Senator TURLEY.—I can easily understand why the South Australian senators are in favour of the survey being made. But how many are prepared to pledge themselves to the construction of the railway? That is another question altogether. If the Commonwealth were prepared to spend £50,000 on a survey of a line from one end of Queensland to the other, I do not believe that a single senator from Queensland would object. The money would be spent in Queensland, and it would not be natural for us to object. Again, if the Commonwealth proposed to spend money on a survey of a line to Port Darwin, I do not believe that a single South Australian senator would object. And why? Because the money would be spent in their State. But I do not look at the present proposal from that point of view. The question is whether we should be justified in spending this large sum of money when the people who are asking for something to be done for them are able to do it for themselves. It has been stated by Western Australian representatives that a Western Australian Premier has re-

marked that his Government were prepared to do this work, but could not get the assistance of South Australia. I have heard Sir John Forrest say that the State of Western Australia was prepared to put down her proportion of the money necessary to carry out the survey if South Australia would consent to do her part. But South Australia declared that it would not spend a solitary penny, but that if Western Australia could get the Commonwealth Government to step in, well and good. The position that is taken up by myself and others is that the two States most nearly concerned, altogether outside the question of defence, are South Australia and Western Australia; and that if one State is prepared to vote money for a portion of the survey, the other State should, at least, be asked to give its consent to the construction of the line before anything is done regarding either survey or construction. In my opinion, the survey is part of the construction of a railway, and the cost of the survey is merged in the whole cost all the world over. In Queensland I know that the cost of the survey is reckoned as part of the total expenditure on a work of this kind; and when we are asked to pass this Bill I contend that we are asked to start the work of construction.

Senator PLAYFORD.—No.

Senator TURLEY.—Absolutely, yes.

Senator PLAYFORD.—Surveys are sometimes made, and no railway is constructed in consequence.

Senator TURLEY.—That is so, but in such cases the money spent on the survey might just as well have been thrown into the sea, and I am sure the Minister of Defence would not like that to be the destination of Federal money.

Senator PLAYFORD.—But a survey may prevent large unnecessary expenditure.

Senator TURLEY.—We know that surveys are sometimes made with other objects than that of constructing railways. In Queensland I know that surveys have been consented to by Ministries, simply in order to gain support when support was impossible by any other means, and I fancy the same sort of thing has occurred in other States.

Senator MCGREGOR.—Not in South Australia.

Senator TURLEY.—No doubt they are very nice people in South Australia; at any rate, they do not object to the Commonwealth spending money on a survey,



while reserving to themselves the right to say, after the money has been spent, that they will have nothing further to do with the project, because the wrong route has been chosen.

Senator STYLES.—Or the wrong gauge has been proposed.

Senator TURLEY.—As pointed out by the Minister of Defence the other day, South Australia does not intend, in his opinion, to have anything to do with the matter if the Commonwealth is not prepared to make the gauge 3 feet 6 inches instead of 4 feet 8½ inches. As the Minister said, the cost of that would be £400,000, and South Australia is not prepared to go to that expense in connexion with a railway constructed for defence. Senator Pearce has expressed his surprise that Queensland senators support the action of the late Premier of South Australia, Mr. Jenkins, who engineered the biggest land steal ever attempted in the Commonwealth. The senators to whom reference is made have not been in the habit of supporting people who engineer land schemes of the kind, but, on the contrary, they have strongly opposed any lines being built in Queensland except by the State. At any rate, I am not prepared to be held up now as one who is following the lead of a man who carried, or attempted to carry, this great land steal. I take up my present position in regard to this Bill, in the belief that the great bulk of the people in the State which I represent are absolutely opposed to the construction of this trans-continental railway.

Senator DE LARGIE.—The honorable senator has no authority for making that statement.

Senator DAWSON.—Senator Turley has no warrant for the statement.

Senator TURLEY.—I believe that if the honorable senators who interject travelled from the Tweed to Cape York they would find the bulk of the people absolutely opposed to the construction of this line. I have been in Queensland since Senator Dawson was there, and have addressed public meetings at a considerable number of places, and I found the consensus of opinion everywhere absolutely opposed to the Commonwealth spending money either on a survey or construction at the present time.

Senator DAWSON.—Has the honorable senator ever heard any persons speak about the matter in Queensland?

Senator TURLEY.—I have dealt with the subject on the platform, and have heard the opinions expressed by my auditors. There is one little matter which I should like to clear up. When Senator Croft was speaking the other day, he stated that every means had been tried to block this proposed survey, and he suggested that when I raised the question whether this Bill was in accordance with our Standing Orders, I was goaded on by Senator Symon. That means, I take it, that I was "used" by Senator Symon with the object of raising a point of order which he himself did not care to raise. That suggestion is entirely without foundation. The gentleman who directed my attention to the matter was Mr. McDonald, a member of another place, and it was only when I was entering the chamber, two or three minutes before I raised the point of order, that I asked Senator Symon his opinion. The honorable and learned senator was not sure about the matter; but when I had laid the facts before him he, in an offhand way, said that my point of order seemed to be pretty conclusive. So far as I know, Senator Symon had not considered the point before, and I was influenced in no way by that gentleman when I drew attention to the matter. I make this statement in order that the credit of looking into the matter may be given to the right person, namely, Mr. McDonald. We have heard a good deal about the attitude I took up in Queensland, but Senator Stewart and Senator Givens heard me asked the question, when I was contesting an election for this Chamber, as to what my opinion was. I have been told by Western Australian representatives that I was totally opposed to this railway, and prejudiced in regard to it, before I entered the House, and that no proper consideration of the matter could be expected from a person like myself. When I was asked the question at the election meeting, I answered that, according to the information I then possessed, I was not in favour of the project; but that, when I came to Melbourne, I should get all the available information, and then, if I thought it to be a fair proposal, I should hold myself free to support it. I did not in any way quibble about the question, as Senator de Largie seems to insinuate. If senators in Western Australia are elected by shirking questions, that is not the way to which the people of Queensland are accustomed.

Senator DE LARGIE.—The honorable senator shirked the question when he was in Western Australia.

Senator TURLEY.—I did not. Before I came to this Chamber I had no information on which to make up my mind, except what had appeared in the press, and I was chary of taking that as reliable.

Senator DAWSON. — Did the honorable senator say that he had not made up his mind?

Senator TURLEY.—What I said I have already informed the honorable senator, and I take up the same position now.

Senator DE LARGIE.—And the honorable senator led the "stone-wall" to show his impartiality!

Senator TURLEY.—When I came to Melbourne I got all the reports and other publications on the subject, and, having read them carefully, I asked Senator de Largie himself, on one or two occasions, whether there was any further information to be obtained. His reply was "No; the reports ought to satisfy any one." The reports might satisfy any one who had very little experience of Australia, but any one who knows anything about this Continent would not be induced by such information to vote for the project. In my opinion, the proper course is for the two States more immediately concerned to arrange this matter between themselves, and then to demonstrate to the Federal Government that this is a fair and reasonable enterprise. The only objection raised by Western Australian senators to this suggestion is contained in the words, "You would not believe us." If that be their objection, the way out of the difficulty would be for the two States Governments to offer to bear the cost, and ask the Commonwealth to appoint the officials and carry out the work. The Western Australian senators, however, are not prepared to take a course like that.

Senator DE LARGIE.—That argument has been answered so often.

Senator TURLEY.—On the contrary, it has never been answered yet. Western Australia is prepared to bear her share of the expense, but the other State insists that the Commonwealth shall do the work.

Senator DE LARGIE.—The honorable senator will see how Queensland will have to bear the expense of the sugar bounties, when they come up for consideration.

The PRESIDENT. — Order; sugar bounties have nothing to do with the question before us.

Senator TURLEY.—We are now threatened with what Western Australian representatives may do when something happens but when that something happens, we all may be prepared. If Western Australian senators are opposed to the policy of White Australia, I hope they will say so openly and candidly.

Senator DAWSON.—Western Australia gains nothing by the sugar bounties, whereas Queensland does.

Senator TURLEY.—A great deal of information is given in the report about the income likely to be derived from this line when it is completed. But all who have had experience know that very few people travel overland when there is the competition of sea communication. A first class return ticket between Brisbane and Melbourne costs £12, which, in addition to 50s. for sleeping berths and meals, makes the cost of an overland journey something like £16. For one passenger who travels by train from Brisbane to Melbourne a dozen travel by boat, for the simple reason that you can get a first-class return ticket by boat from Brisbane to Melbourne, for which you will be fed all the way, six days coming down and six days going back, for £7 10s., or about one-half of what it would cost by rail without those advantages.

Senator DAWSON.—What do the shipping companies pay their men as compared with the wages paid to railway men?

Senator TURLEY.—The shipping companies on this coast are paying better wages than are paid by shipping companies anywhere else in the world.

Senator DAWSON.—About £5 per month.

The PRESIDENT. — I ask Senator Turley not to be led away by irrelevant interjections.

Senator TURLEY.—Senator Dawson is attempting to correct me on a question of seamen's wages.

The PRESIDENT. — The honorable senator should take no notice of the interjection. We cannot have a discussion as to the rate of wages paid to seamen, in dealing with this Bill.

Senator TURLEY.—I have only to say that the honorable senator's statement regarding the rate of wages paid to seamen on our coast is absolutely incorrect, and I speak as a member of the Seamen's Union. What is our experience of the railway line running between the two capitals—Brisbane

and Sydney? We have been told that all passengers from Western Australia will travel over the proposed line, not only those from Kalgoorlie, but also those from Fremantle, Perth, Coolgardie, and other places in Western Australia, who now go through Fremantle to the other States. According to this return, it is estimated that all those passengers will travel by this railway. No one with a grain of common sense can believe that that will be so. If we take the experience of the railway from Brisbane to Sydney we can say that for one person who travels by the railway between those places twenty travel by boat.

Senator Lt.-Col. NEILD.—Fifty by boat at least.

Senator TURLEY.—Twenty at any rate. It is further said that because passengers from Coolgardie have now to travel from Fremantle to Coolgardie after coming from the other States by boat they will prefer to travel by this railway if it is constructed. In answer to that, I take the case of people travelling from Longreach to Sydney. They do not travel by rail. With the exception of very few, indeed, they come by rail to Rockhampton, and go from there to Sydney by boat, or they come by rail to Brisbane, and there take the boat for Sydney. The passenger traffic on the Inter-State line in Queensland is so small that the line from the border to Gowrie Junction, where it joins the Southern and Western Railway, has paid only about 1 per cent. over interest and working expenses. Now, as to goods traffic, what goods traffic is it expected will be taken over this line?

Senator STYLES.—None.

Senator TURLEY.—Very little. There is some talk about perishables, and we are invited to believe that fruit and vegetables will be taken for hundreds of miles by this railway. There is a great deal of fruit and vegetables leaving Brisbane for the North, but how much is taken from Brisbane to Rockhampton by rail? The distance is 340 miles by rail, and 500 miles by water; but I venture to say that 90 per cent. of the produce carried from Brisbane to Rockhampton goes by boat, though there is an additional disadvantage in that when it gets to Keppel Bay it has to be lightered and carried forty miles up the Fitzroy River, which involves two or three different handlings. Even with these disadvantages shippers of this produce find it to their advantage to send it by water rather than by rail. The same thing applies to all

goods with the exception of small parcels carried from Brisbane to Rockhampton, and even to goods which have to be carried west from Rockhampton on the Central Railway.

Senator MCGREGOR. — Why does not Queensland close up her lines if they are of no use?

Senator TURLEY. — The railways of Queensland are doing fairly good work. The State is losing £200,000 or £300,000 a year on her railways, but a very great deal of good has been done in the opening up of the country by those lines. I have referred to lines in Queensland which can be compared with the proposed line to Western Australia, inasmuch as they have to compete with water communication. When we have such experience in other parts of Australia to show that water carriage can always successfully compete with railway carriage, we cannot expect that that experience will not also apply to this proposed line. I contend that this report is absolutely unreliable in the light of experience gained in other parts of Australia, where railways have to compete with water carriage. I do not know that I need go through the report. I read it very carefully, because I thought there might be something in it which would throw some light on the subject, and enable me to support this proposal. I understand that it is estimated that this line with rolling-stock and all complete will cost something like £4,400 per mile. I can take the case of lines running over the western plains of Queensland, far better country for railway construction than that outlined by the Minister of Defence when he told us that the route of this railway would traverse a belt of country with sand-hills 200 feet high.

Senator PLAYFORD. — The honorable senator has doubled it straight away; I said 100 feet.

Senator TURLEY.—I have just referred to the report of the honorable senator's speech in *Hansard*.

Senator PLAYFORD. — I think I said 100 feet.

Senator TURLEY.—I find from the *Hansard* report that the honorable senator stated that the sand-hills were in some instances 200 feet high, with valleys in between, and he did not know whether the surveyors would take the railway over the tops of the sand-hills, or around their bases. If the honorable senator now says that

these sand-hills are only 100 feet high, I am willing to accept that statement.

Senator PLAYFORD.—I may inadvertently have said 200 feet; I meant 100 feet.

Senator TURLEY.—Many of our railways in Queensland are built over absolutely level country, involving very little construction work, but we have not yet been able in that State to build substantial railways on which trains can travel faster than fifteen miles an hour for anything like the sum estimated here.

Senator PLAYFORD.—We have done it for less in South Australia.

Senator TURLEY.—Substantial railways on which trains can travel forty miles an hour?

Senator PLAYFORD.—The railway from Broken Hill to Petersburg was constructed for a little over £3,000 per mile.

Senator TURLEY.—Not including the cost of rolling-stock.

Senator GUTHRIE.—What has that railway cost since? It has been reconstructed.

Senator Sir WILLIAM ZEAL.—It was only a tramway.

Senator TURLEY.—I am speaking of a substantial railway on which trains can be driven forty miles an hour. That is what is expected of the proposed line.

Senator Lt.-Col. NEILD.—The Broken Hill line made at the price mentioned had to be pulled up.

Senator PLAYFORD.—It never was pulled up.

Senator TURLEY.—I could understand Senator Playford if he referred to a line laid down with little or no ballast, and on which trains might travel from ten to fifteen miles an hour. We have lines of that kind in Queensland on which there is very little ballast, and in some cases none. The sleepers are laid down, and the rails run over the top of them, but trains on those lines do not travel at more than from ten to fifteen miles an hour.

Senator DAWSON.—Where are those lines?

Senator TURLEY.—I refer to the line from Hughenden to Richmond.

Senator DAWSON.—Is that not because patent steel sleepers are used?

Senator TURLEY.—No, the patent sleepers used on that line are cut out of ironbark or gum trees. I do not know whether Senator Dawson has been over that railway, but I know the rate of speed at which trains are taken over it. If rain has recently fallen, those in charge of the train must be very careful not to travel

too fast. The justification for the line is that it serves the district better than a bullock dray would serve it. But we are dealing here with a line which is to carry passenger and goods traffic at a speed of forty miles an hour, and the question is whether that line can be constructed at a less cost, including rolling-stock, than any line which we have been able to construct in Australia up-to-date. Even in Western Australia it is not claimed that they have been able to construct any section of their existing lines at the same price, including rolling-stock.

Senator DE LARGIE.—Yes, and for much less.

Senator MATHESON.—Take the line from Southern Cross to Kalgoorlie.

Senator TURLEY.—I take from *Coghlan* the cost of State railways as a whole.

Senator PLAYFORD.—They go through mountainous country in many places. Look at the immense cuttings and tunnels on the line from Brisbane to Wallangarra.

Senator TURLEY.—I have been speaking of the cheapest railways constructed in that State, and apart from the cost of rolling-stock, they have cost from £2,000 to £2,200 per mile. In his book, Mr. Coghlan gives the cost of railway construction per mile in each State. In 1903-4 the mileage in Western Australia was 1,541 miles on the 3 feet 6 inch gauge, and the cost per mile was £5,812. In all probability light rails were used, and the rolling-stock did not cost nearly as much as it would have done had the 4 feet 8½ inch gauge been adopted.

Senator DE LARGIE.—The honorable senator's experience of Western Australia is not very great. That ought to show him the unfairness of quoting these figures.

Senator TURLEY.—When a Federal party was travelling in Queensland not long ago, the honorable senator was christened the seventh representative for that State. It is quite true that I have been in Western Australia only once, but I am not stating my experience. I am quoting the figures of a statistician who I believe is a competent man. Seeing that, according to Senator Playford, the trans-continental line would pass through sand-hills 100 feet high, the cost of construction must be very expensive.

Senator PLAYFORD.—There is only a limited extent of that country.

Senator TURLEY.—Outside the strip which has been travelled, no one knows

the character of the land through which the line would pass. It is the duty of Western Australia and South Australia to demonstrate that this is a fair proposal for the Federal Government to take up, and the expense should be borne by those States. It is certainly no part of the duty of the Commonwealth to send out exploring parties.

Senator STORY.—Not for Federal purposes?

Senator TURLEY. — There is no Federal purpose involved here. The Minister of Defence said, in his speech, that the only reason he knows of which would warrant the construction of the railway is that it might be useful for defence. Are we in a position at the present time to spend that money on defence? Because no one contends for a moment that the line would pay.

Senator MATHESON.—Yes, the experts do.

Senator TURLEY.—Not in one report do the experts say that the line would pay for at least some years.

Senator MATHESON. — Not for ten years.

Senator TURLEY.—That means a loss of £60,000 a year for ten years, plus the cost of construction.

Senator MATHESON.—I said that the loss would be £60,000 in the first year, and it would gradually decrease.

Senator TURLEY.—It is estimated that a great deal of freight would be carried by the line, but we know from experience that there is no chance of that estimate being realized. *Coghlan* says that in Queensland the average cost of railway construction was £7,194 per mile. In that State we have a very large area in which railways have been easily built. We have some very bad examples, such as the Cairns line, and the line round the Toowoomba ranges.

Senator MCGREGOR.—And the Blackall range.

Senator TURLEY.—That line was fairly expensive, but others have been more expensive. If honorable senators will go across the Darling Downs they will find railways traversing for hundreds of miles land better than any I saw in Western Australia. The land is pretty flat, the grades are very easy, and the cuttings were not very expensive.

Senator MCGREGOR.—How much of the cost of those lines was due to the repurchase of land?

Senator TURLEY. — In some cases a good deal, but in the majority of instances nothing.

Senator MCGREGOR.—In the case of the transcontinental line there would be nothing to pay for the repurchase of land.

Senator TURLEY.—In some portions of the western district of Queensland railway construction cost about £2,500 per mile, but that work was carried out under most favorable conditions, with easy access to the coast, and the cost of provisions was considerably lower than would be the case in Western Australia. I do not propose to quote the figures for the other States, but to point out that even in Queensland, despite the cheapness of railway construction, we have not been able to get a reasonable return from our expenditure. In 1903-4 the interest returned on the capital was 2'36—that is a loss of 1'56 per cent. on the total outlay. While Queensland has spent a great deal of money on railway construction, and is still losing at the rate of £300,000 a year, it is not in a position to help to build a railway in another State which would involve an expenditure of, at the least, nearly £5,000,000. The proportion of Queensland might amount to only £600,000 or £700,000, but it is asked to find this money for the building of a line which every one who has reported on the project has admitted cannot possibly pay. Every honorable senator who has occupied a seat in the State Legislature knows that a railway has never realized the anticipations of its advocates. I remember projects being introduced into the Queensland Parliament with very glowing accounts as regards the probable returns from the carriage of stock, wool, and passengers. It was very easy for the supporters of a proposal to demonstrate that the income would be more than sufficient to pay the working expenses and meet the interest on the outlay. But I never knew a case in which there was not a loss on the working of the line for a considerable time.

Senator MCGREGOR.—There are so many prevaricators in that State.

Senator TURLEY.—I do not know that the railways of South Australia have been doing too well. I believe that in many cases a project has been painted in such glowing colours as to induce the State Parliament to build the line, even although it would entail a considerable burden on the taxpayers.

Senator GUTHRIE. — Our railways are paying.

Senator TURLEY.—I am glad to hear that they are, but for a good while the State was losing money on the working of its railways. The railway from Sydney to Brisbane has been worked for seventeen years. The length is 700 miles, and the fare is, I think, £2 10s. second class, and about £4 first class. In 1903-4 only 13,000 passengers travelled by it.

Senator MCGREGOR.—Does that include the intermediate passengers?

Senator TURLEY.—It represents the number of passengers who travelled from State to State, and not only the through passengers from Brisbane to Sydney, and *vice versa*. If a person went from Warwick to Glen Innes he was reckoned in the count. It is easy, therefore, to see that the number of through passengers would be considerably less than the number stated here.

Senator MCGREGOR.—Thousands of persons who went from Warwick and Toowoomba to Glen Innes, and *vice versa*, were not counted.

Senator TURLEY.—Although the line runs through a fairly thickly populated country, with towns and settlements along its route, still it does not pay. Except during a drought there has been practically no goods traffic. At that time some hay was sent up from the Hunter to the Darling Downs for feed. That, I believe, was the only time when produce of that kind was carried over the line. I have been twitted with having made up my mind and being prejudiced against the project to build a railway to Western Australia, and therefore I wish to say why I believe that, from the Federal stand-point, it is a bad proposal. Senator Matheson quoted the names of the engineers who constituted the committee of inquiry, and wished to know if they retain their positions. I believe that they do. But when the inquiry was made they were practically limited to going to Port Augusta, calling at another little port, and then proceeding to a port at the far end, where information was gleaned from the reports of a few men.

Senator MATHESON.—Information which satisfied them, anyway.

Senator TURLEY.—I do not think it did satisfy the engineers. Have they any information as to the advisability

ness of constructing the line at the present time? They say—

We beg respectfully to suggest that, in view of the direct monetary loss involved, this is largely a question of policy and sentiment—

Senator MATHESON.—Is the honorable senator quoting from the first or the last report?

Senator TURLEY.—From the first one.

Senator MATHESON.—They give a different report later on.

Senator TURLEY.—The quotation proceeds—

depending on many issues regarding which we have no information, and we hope we may be excused from expressing any other opinion than that, if the past progress of Western Australia is maintained, the line will ultimately be a necessity and a financial success.

Senator MATHESON.—That is not the final report.

Senator TURLEY.—But they say something similar to that in their final report. They say that they are not prepared to express an opinion on the direct question that is put to them. They go on to say further that there will be a lot of pastoral country opened up. I do not know how they were able to say that. They base their opinion on reports which have been submitted to us by other men who were sent out by the Western Australian Government. Those reports ought not to induce us to vote for a line like this. Senator Matheson has referred me to the final report of the experts. I will quote from it. They say—

To question No. 8 we find it very difficult to give an answer, in view of the fact that the monetary loss will, for the first few years, be considerable. The revenue may prove to be higher than we have estimated, and the deficiency may tend to diminish from year to year more rapidly than has been assumed. It will be for the Commonwealth Government to decide whether the immediate pecuniary loss is so serious as to outweigh the beneficial effects pointed out in our answer to question No. 7.

Senator MATHESON.—That shows that, in their opinion, the loss they mention is a maximum.

Senator TURLEY.—No; they say that the loss "may" diminish. They leave it perfectly open. They do not say for a moment that it will probably be less than they have estimated.

Senator MATHESON.—That is very ingenious.

Senator STYLES.—They throw the responsibility on the Commonwealth Government,

Senator TURLEY.—The whole of the responsibility is thrown by them on the Government. I have seen nothing in this report to justify any sanguine hopes, except that they say—

New tracts of country would be opened up for pastoral settlement, both in South Australian and Western Australian territory, the chief difficulty at present lying not so much in the want of fertility of the country and the absence of water as in its inaccessibility.

I do not know that there is any part of Australia that is inaccessible, provided it carries good grass and water.

Senator HENDERSON.—People will not go 1,100 miles into the back country for the sake of grass and water.

Senator TURLEY.—Does not the honorable senator know that Queenslanders have gone more than 1,100 miles into the back country for that purpose? They have gone 3,000 miles from the eastern coast, and taken cattle across. Does the honorable senator think that if the land which would be traversed by this railway were good the men who went to the north-west of Queensland would not be prepared to take it up? Most decidedly they would, and they are men who understand country.

Senator HENDERSON.—Do the men to whom the honorable senator refers take feed with them?

Senator TURLEY.—No, they do not, and it is only in good seasons that they can carry the cattle over. If the honorable senator had seen the report of the last drover who came across he would be aware of the difficulties that man found in traveling his cattle hundreds of miles without water. I come now to the report of Mr. Muir, which we are told is sufficient to convince any one that this railway ought to be built. On page 4 of his report Mr. Muir writes as follows about a water-course which he saw:—

At some considerable time back a large volume of water must have gone down this creek in order to cut such a distinct channel through the country; but, judging by the heaps of decaying timber and *débris* lying in its bed, this has not occurred for at least ten years, and probably not for a longer period.

What sort of country is it where, as this gentleman points out, there are very few water-courses at all, and where the one that he saw, Goddard's Creek, had *débris* lying in it, which indicated that, though there might have been a considerable amount of water in it at one time, there had not been any for the last ten years?

Senator MATHESON.—It must have been very like Queensland, where they have had a ten years' drought, which only recently broke up.

Senator TURLEY.—They have not had a ten years' drought in Queensland. I know they have had a drought for about six years, but in a considerable portion of the country that drought broke up a good while ago. I would point out that men went out into the back country of Queensland, and made it habitable because it would produce grass, and there was plenty of surface water that could be made available for stock. If the country through which this railway is to go were as good as the Queensland country to which I refer, it would have been put to a similar use many years ago.

Senator DAWSON.—What about the Northern Territory?

Senator TURLEY.—Some men who have been dealing in cattle in the Northern Territory have simply been making fortunes since the drought broke up a few years ago. That statement can be borne out by honorable senators opposite who are interested in the business. They have been enabled, through the break up of the drought, to travel their cattle into country where they could sell to advantage.

Senator DAWSON.—There are only about 120 white settlers altogether in the Northern Territory.

Senator TURLEY.—I am not saying how many white people there are there, but I know that thousands of cattle every year are brought from the Northern Territory to South Australia, New South Wales, and Victoria.

Senator MATHESON.—I understand that many persons who took up land in Queensland prior to the drought have gone under.

Senator TURLEY.—I believe that a good number of men have gone under. Does the honorable senator know the reason?

Senator MATHESON.—The drought.

Senator TURLEY.—No; it was simply because young men were sent out from the old country whose people had no use for them there, and were given a few thousand pounds with which to embark in the pastoral industry in Queensland, in which there was a boom at the time. Big profits were being made out of the land because the settlers were working their holdings economically. But when these young men came out with a few thousands of pounds

behind them, they bought up properties, probably for £40,000 or £50,000, the greater part of which they borrowed from the banks, and upon which they had to pay interest.

Senator STANFORTH SMITH.—Experienced men went under also.

Senator TURLEY.—A large number went under because of the heavy interest that they had to pay. I know of one estate that has been paying 10 per cent. for years past, and has actually paid a great deal more in interest than the amount of capital first invested in it.

Senator MATHESON. — Some of those who went under were the sons of experienced people in Victoria.

Senator TURLEY.—Some of them came from just over the border in New South Wales, and went to country where I suppose the rabbit pest was worse than it has been in any other part of Queensland. But let me continue my references to Mr. Muir's report. He says—

On the morning of the 16th June I made another start out northward, accompanied by two members of the party, carrying five days' provisions and water. I was anxious to thoroughly test this portion of the country for water, but our efforts were quite fruitless, and we had no better luck than on our previous trip; Babington meanwhile taking the main caravan down the creek to the water discovered thirty miles below.

There is evidence time after time in Mr. Muir's report that though he discovered land that was carrying fairly good grass, there was no water to be found, except just a little between the rocks. I think that the biggest supply of water which he found was a basin that contained about 10,000 gallons. He camped near it, and filled up his water vessels to allow him to go on. He points out that there are comparatively few water-courses in this country. Any one who has been in the back country, knows that if there is any rainfall there are bound to be water-courses. There are very large water-courses in the back country of Queensland, although there is not a large rainfall there. As you go further north where the rainfall is fairly regular, and you get 50 to 60 inches per annum, you meet with big rivers every few miles. In mountainous country where the water comes down with a rush, there are deep water-courses. Every ten or fifteen miles you come across a large water-course. But this engineer who was sent out specially to report on this country, finds practically no water-courses. Why should we be asked to sup-

port a survey like this when everything points to the fact that it would be a very expensive job to put the line through? In spite of the evidence which we have had, we should certainly ask that the Western Australian and South Australian Governments shall prove that this is a fairly feasible project. When I spoke last year, an interjection was made to the effect that Western Australia had been to the expense of sending out a man who had done a good deal in the way of proving that it would be a good "spec" to construct a railway, because there was artesian water. I have read the report of Mr. Castilla, and I do not gather that any artesian supply has yet been discovered.

Senator FRASER.—I am quite sure there has not?

Senator TURLEY.—Mr. Castilla states that he came across a deserted station, and that is some evidence that the country was at one time taken up. No doubt it was deserted simply because of the seasons, just in the same way as a considerable area has been abandoned in the western part of Queensland. When the drought came in Queensland the stock died, and the people were obliged to leave, just as I suppose the people were obliged to abandon their station on the route of the proposed railway.

Senator MATHESON.—The honorable senator admits that people have had to abandon their stations in Queensland.

Senator TURLEY.—A considerable area of country was abandoned in Queensland on the border of the Northern Territory, for the same reasons that other areas have been abandoned in every State of the Commonwealth.

Senator MATHESON.—That country is perfectly capable of carrying stock in good seasons?

Senator TURLEY.—Yes, but beyond that the country is no good, and when a long drought came it had to be given up.

Senator MATHESON.—Because there were no tanks or artesian water.

Senator TURLEY.—Some settlers had tanks and artesian water. The honorable senator seems to imagine that there can be nothing but a water famine in the western part of Queensland; but what really happens is not a water famine, but a grass famine.

Senator MATHESON.—The country on the route of the proposed railway is a thousand times better than that in Queensland, because it is covered with salt bush.



Senator TURLEY.—How long will salt bush last if cattle are left to feed on it? I know what the country is in Queensland, and there the salt bush is nearly all eaten out, even before the grass is finished; and there has been some talk of growing this bush in some of the western stations, because the cattle need the salt obtained in that way. This report of Mr. Castilla, which was going to convince me as to the splendid prospects ahead of the line, goes on to say—

Some seventy miles east of Twilight Cove there is a place called Madura, at which an attempt was once made by a company to establish a station. Buildings were erected and tanks made in the gorges, but the venture fell through, and the place has lapsed to the Crown, everything being in a very ruinous condition.

There is no doubt that the people mentioned tried to make a success of this country. I have heard, although I have not such definite information, that in other parts of the country men representing considerable capital have prospected with the object of taking up country. Mr. Castilla proceeds—

Boring for water at site No. 2, sixty miles from the coast, and thirty north of Madura, 7th September, 1902, and water was struck at a depth of 411 feet. . . .

It has been reiterated in this chamber that artesian water has been found, but, as a fact, the water mentioned in the report is all sub-artesian water, and has to be pumped up. Artesian water, as I understand it, flows over the casing without any pumping; and if sub-artesian water is regarded in Western Australia as artesian, that is the only place in the world where it is so regarded. I have read this report very carefully, and I see that at some distance away from Madura, Mr. Castilla struck water at a depth of 2,101 feet, the flow being about 70,000 gallons. Why were not further steps taken to demonstrate that this is country where good water is obtainable along the proposed route? Do honorable senators think that when they read of water being struck suitable for stock, that it is water which can be used for engines? In Queensland there are bores returning water fit for stock and for human use, but it is not used by railway experts for engines if any other can be obtained. Wherever possible a tank is erected near a creek, and a man kept constantly at the pump, in order to supply the locomotives. There is not, so far as I know, a supply of artesian water in Australia that does not carry a considerable

quantity of magnesia or other salts, which have a most injurious effect on boilers.

Senator DAWSON.—Does the honorable senator not know that some of the best water in the western district of Queensland, both for engines and human consumption, is got at a depth of 4,001 feet near Winton?

Senator TURLEY.—Water is got at a depth of 4,000 feet, and it contains any quantity of mineral salts, a fact of which the honorable senator is as well aware as myself. Artesian water is never used for engines where other water can be obtained. Of course, I know there are places where artesian water has to be used for engines, but that is simply because no creek can be found in the neighbourhood. Mr. Castilla goes on to tell us what the land is like, and points out that there is a considerable area of sand hills. The report proceeds—

Clear of this belt, which is several miles wide, proceeding north, the country is nicely timbered with mallee, sugar tree, and mulga.

I do not know what the sugar tree is, but I know that mallee is a bush which grows in very dry country, and that mulga is not found where there is much water from the clouds. During the great drought, mulga was used by settlers both in Queensland and New South Wales in order to keep some of their stock alive; but, at the same time, it only grows in countries where the rainfall is very light. The soil in which it grows is practically useless for cultivation without a good rainfall, because it hardens very quickly. Indeed, in mulga country in Queensland, I know lanes which are just as hard as the streets in the city of Melbourne; and without a heavy rainfall nothing can be done in the way of production.

Senator DAWSON.—What about the mulga country between Fremantle and Kalgoorlie?

Senator TURLEY.—I saw some mulga country as I was travelling to Kalgoorlie in Western Australia, but it would not feed a bandicoot to the acre.

Senator DAWSON.—And yet the honorable senator saw some prize cattle which came off that land.

Senator TURLEY.—I did not see prize cattle which came off country like that. I do not know whether there was other mulga country further inland, but it was not along-side the railway on which I travelled.

Senator DAWSON.—There are miles and miles of mulga there.

Senator MATHESON.—The honorable senator ignores the report about fodder plants,

although he has said a great deal about other points in the report.

Senator TURLEY.—Why should I? I know the sort of country on which is found the timber Mr. Castilla mentions. It is very dry country, because such timber does not grow where there is a good rainfall.

Senator MATHESON.—The honorable senator acknowledges that the country grows natural grasses and other fodder plants which Mr. Castilla mentions?

Senator TURLEY.—Western Australian parliamentary representatives some years ago asked the Federal Government to bring pressure on the Parliament of that State to induce them to build a railway from Esperance to the gold-fields, but the Federal Government did not see their way clear to accede to the request. I have in my possession a newspaper article written when I was in Kalgoorlie, and it is there stated that such a line would save hundreds of miles of sea and land carriage from the eastern States to Coolgardie and Kalgoorlie. Even if the transcontinental line were proceeded with, we know perfectly well that, as soon as that part of Western Australia was fit for development, the State Government would, by means of the suggested local line, endeavour to divert the traffic. There is, therefore, in the hands of the Western Australian people, a solution of, at any rate, a part of the difficulty. This has been a question between the dwellers on the coast in Western Australia and the dwellers in the back country. Those on the coast have had an advantage, owing to their larger representation in Parliament, those in the back blocks, while able to make a noise, not possessing much influence. I have given a few reasons why I intend to oppose this Bill. We are continually told that this is only a proposal for inquiry—a proposal that the Federal Government shall send out an exploring party to tell us what the country is like. I decline to be a party to any such undertaking. If the States concerned want an exploration to be made they should make it at their own expense. It is their duty to demonstrate to the Federal Government that the proposed railway is not only feasible, but reasonable, and to that end they should provide the money, even if the Federal Government have to appoint Federal officers to do the work.

Senator TRENWITH (Victoria).—With reference to this question, I feel very great difficulty. Last session I was altogether uninformed on the matter, but I had a gen-

eral feeling that the Bill ought not, at that stage, to be carried. If the question had gone to a vote last session I should have been against it, but I refrained from saying anything, being anxious to find reasons for voting in favour of the measure. I see a great many sentimental reasons why the Bill should be carried; and I feel great sympathy with the people of Western Australia, and with honorable senators from that State. I have taken every opportunity in my power to acquire information on the subject, and the more I look into it, and the more I hear about it, the more positively my judgment is against the proposal. I feel that to discuss the question at this stage would be unwise, and I do not propose to occupy the attention of the Senate for very many minutes. But, broadly speaking, I feel that we do not know enough about the country to warrant us in taking this step at the present stage. Suppose we made the survey, and decided that it was a good railway to construct, the fact that we have not the power to carry out the work is another strong reason why I think we should not undertake this expenditure. The strongest reason of all, to my mind, is that if we take any positive action in this direction we shall be initiating a railway policy for the Commonwealth. I think that some day the Commonwealth will have to adopt a railway policy, but when it does, it should be on some general principle, and after mature and careful consideration.

Senator FRASER.—It can only be with the consent of the States in which Commonwealth railways are to be constructed.

Senator TRENWITH.—I hope we shall have the consent of the States when the time comes. In connexion with this particular railway, if it is made at all in the near future it seems to me that it ought to be made on the land grant principle. The Commonwealth, at present, has no land. There are continual suggestions that the Commonwealth should do something to facilitate immigration, but, as a Commonwealth, we have nothing that we can offer to persons abroad to induce them to come here, and if we make railways we ought to provide some means by which the increment arising from Federal expenditure shall go into the Federal exchequer. I think, therefore, that if this railway comes to be made by the Commonwealth, it should be only on such conditions as would give

to the Commonwealth the increment which Commonwealth expenditure in connexion with it would create. If that were arranged for it might bring this question within the realm of practical politics, and of the possibility of accomplishment in the somewhat near future. But that can only be done by an overt act on the part of the two States interested. I would therefore suggest to honorable senators from Western Australia and South Australia that they should urge in their respective States the desirability of initiating legislation for the making of a definite legislative offer in this direction. There has been a good deal of talk as to whether we have, or have not, power to make this survey. My own view is that we have not the power.

Senator GUTHRIE.—With consent, we have.

Senator MATHESON.—We have got permission.

Senator TRENWITH.—We have not got permission on which we could proceed at law. Suppose that after carrying this Bill, we proceeded to make the survey, and were confronted by an objection from one of the States interested, we should have no power to proceed.

Senator MILLEN.—Or from an individual property owner.

Senator TRENWITH.—I am not lawyer enough to be able to speak in reference to all details, but I feel sure that we should have no power to proceed with this survey if South Australia or Western Australia objected.

Senator MATHESON.—Why assume that they would object when they have said that they will not object?

Senator TRENWITH.—In the first place, they have not said that they will not object.

Senator MATHESON.—Senator Pearce explained the position fully this afternoon.

Senator TRENWITH.—Senator Pearce, after all, is but one citizen of Western Australia. He is a representative citizen in whom I have very great confidence, and for whom I have the highest possible regard; but he is not empowered to make a promise which will hold water if contested.

Senator MATHESON.—He has made no promise, but he has explained the situation.

Senator TRENWITH.—Western Australia is not the only State interested. Even

if we were to proceed to do anything in this matter, which we have not the power to do, I believe that Western Australia would make no objection; but the Minister of Defence has told us the opinion held in South Australia. Senator Playford has no power to make a definite promise on behalf of South Australia; but we may consider that the honorable senator has been fairly accurate in describing the will of the South Australian people, when he told us that the reason why Mr. Jenkins, as Premier of that State, did not proceed with the Bill after having made a promise to do so, was that he knew perfectly well that he would not have a hundred to one chance of carrying it into law.

Senator PLAYFORD.—I do not know that I said a "hundred to one chance;" I think that is a little of the honorable senator's gloss.

Senator TRENWITH.—I shall not insist upon the figures. I think the honorable senator was sufficiently emphatic to say that the South Australian Premier knew he had not the remotest hope of carrying it. That is strong enough for my purpose.

Senator PLAYFORD.—He had no chance of carrying it.

Senator TRENWITH.—No chance of carrying it! It is above hundreds and millions to one if he had no chance at all. Then the Minister of Defence, who represents South Australia, told us that that State would not consent to the construction of this line unless it traversed a route that met with its approval, and was constructed on the 3 ft. 6 in. gauge. These are two conditions which I think extremely important. Therefore we may reasonably say that if we believe it is desirable to make this railway in the interest of the Commonwealth we are still not in a position to embark in an expenditure of this character until we get a more definite legal permission to proceed. I do not propose to further discuss the question, which has been argued until it is threadbare, but I say that my judgment at present is entirely against supporting this Bill. I should feel personally glad if there were reasons which would justify us in proceeding to make this line.

Senator STORY (South Australia).—I do not propose to occupy the time of the Senate by making a speech in support of the construction of a line from Port Augusta to Kalgoorlie. During the time I have been a member of the Senate, I have engaged the attention of honorable senators

to a very limited extent. Being new to parliamentary life, I thought I could better employ myself in endeavouring to learn the procedure of Parliament and its methods of carrying on legislation. It has occurred to me, especially in the course of this debate, that, although honorable senators sometimes profess to have open minds on a subject, in most cases they decide, first of all, that they are for or against a motion. They then proceed to get up all the arguments which will back up the particular line they have decided to take; they carefully shut their ears to anything said on the opposite side, and refuse to believe it; and in quoting from reports they select only such passages as suit their own side of the question, and they carefully avoid reading, in some cases, the whole of a report, which would justify the arguments of their opponents.

Senator MULCAHY.—The honorable senator is very rough on the Western Australian senators.

Senator STORY.—I might refer to a remark made by Senator O'Keefe this afternoon, who congratulated honorable senators from Western Australia on the excellent case they had made out.

Senator O'KEEFE.—I beg the honorable senator's pardon.

Senator STORY.—On the excellent speeches they had made in advocating this measure.

Senator O'KEEFE.—That is a very different thing from saying they have made out an excellent case. I admit they have made as good a case as they could.

Senator STORY.—The honorable senator followed up that statement by saying that they made no impression on him, and he appeared to regret the fact that honorable senators from Western Australia had been unable to convince him that it is desirable to pass this Bill.

Senator O'KEEFE.—The honorable senator must have listened with his ears shut.

Senator STORY.—I think that the statement made is an indication that Senator O'Keefe has been listening to the debate with his ears shut, and it is an illustration of the old adage that there are none so blind as those who refuse to see. When Senator Symon was leader of the Senate, and moved the second reading of this Bill, he was careful to point out that it is not a Bill for the construction of the line, but a Bill to authorize a survey. If honorable senators who have spoken to

the question had confined themselves more to the proposed survey, and less to the probable cost of construction of this line, very much valuable time would have been saved. The honorable senator who immediately followed Senator Symon was Senator Styles, who claims to be an expert in railway construction. That honorable senator made a long speech against the construction of the line. He disputed to some extent the statement that £20,000 would be sufficient to defray the cost of the proposed survey, and, speaking as a railway contractor, the honorable senator expressed the opinion that at least £50,000 would require to be spent on the survey before it would be one on which he could give an estimate as to the probable cost of the line. In the same breath the honorable senator proceeded to inform the Senate that the line, if constructed, would cost a certain amount of money, and he got up, I think, to somewhere about £8,000,000. Senator Mulcahy interjected that the line would probably cost £8,000,000, and Senator Styles proceeded to give figures to show that it would cost about that sum.

Senator STYLES.—The honorable senator is mistaken. £5,000,000 was my estimate.

Senator STORY.—If the honorable senator will refer to *Hansard* he will find that in reply to an interjection by Senator Mulcahy, he said that £8,000,000 would be near the mark. He proceeded to produce figures to prove that. If Senator Styles could not make an estimate, except on the details supplied by a survey costing £50,000, how is it possible for the honorable senator to form the remotest idea of the cost of this line when no survey whatever has been made?

Senator STYLES.—I had the same information as the engineers had.

Senator STORY.—The information which the honorable senator had came from the engineers. Senator Styles has put the worst possible construction on their estimates, although in their reports the engineers have said that they made ample allowance for everything. Senator Styles has stated that in his opinion they have supplied under-estimates in several cases. The honorable senator has placed his opinion in the matter very much above that of the engineers.

Senator STYLES.—I have a right to my own opinion.

Senator STORY.—Even the engineers have had no certain data on which to

base their estimate of this line. The object of this Bill is to enable people to form a correct idea as to what the cost of the line will be.

Senator O'KEEFE.—And we say that the two States immediately interested and to be benefited should defray the cost of the survey.

Senator STORY.—In my opinion this is a Federal matter, although the State of Western Australia would probably benefit more than any other from the construction of the line, and South Australia might also derive some special benefit from it. We are assured by Senator Styles that the construction of this line would be the worst possible thing that could occur for the State of South Australia, and that practically it would half ruin the State.

Senator O'KEEFE.—The honorable senator does not think so.

Senator STORY.—No. I do not think that South Australia would derive very great benefit from the railway for some time. It appears to me that some honorable senators will only look at this question from one point of view, and refuse to listen to arguments on the other side. Because Senator Playford, who had such a reputation for being fair in the State Parliament that he was called "Honest Tom," referred to some possible objection to this survey, and pointed out that Western Australia had been unfair in its treatment of the products from other States, especially from South Australia, one or two honorable senators interjected, "Well, after making that admission you ought to withdraw the Bill." They appeared to suggest that it was entirely wrong for a member of Parliament to say anything on the other side of a question. When Senator Givens rose to speak the other evening he said that he did not intend to occupy the time of the Senate at any very great length, chiefly because he was weak physically. He made a very energetic speech, and finished by moving an amendment. If he was really honest in his action—if he thought that his amendment would be accepted by South Australia—he must have been weak mentally, as well as physically. At any rate, he must have formed the impression that the electors of South Australia have returned to its Parliament men who are mentally weak. Because his amendment simply means that, prior to a survey being made, the Parliament of South Australia is to practically agree to a railway being constructed without being consulted in the slightest degree as to route, or gauge,

or the conveniences to that State. Suppose that a Minister of the Crown were weak enough to ask the State Parliament to pass a measure agreeing to the building of the line. The very first questions he would be asked by honorable members would be, "Which route is the line to take, what sort of country is it to traverse, and is it likely to injure our State?" They certainly would refuse to entertain the measure until a survey had been made. The reason why every honorable senator, no matter what State he may represent, should support the making of a survey is because the railway will ultimately have to be built. I am sure that the great majority of honorable senators think that there must be a railway built at some time, if it is only for defence purposes.

Senator O'KEEFE.—I believe that for defence purposes it will be built.

Senator TRENWITH.—That is a different thing from saying who shall build the line.

Senator MULCAHY.—We are not stopping the survey.

Senator STORY.—It is the business of the Commonwealth to construct the railway if it is required for defence purposes, because it has control of the defences. Events are moving very fast in the East. It is the opinion of men best able to judge that in the near future, within the next fifteen or twenty years, the Chinese and Japanese may make up their minds that they would like to occupy Australia. That decision may be come to even during the next ten years. It is well known that a very large number of Chinese are serving with the Japanese army. The Chinese are learning Western methods of fighting, and when they are as well trained as the Japanese they may, simply in retaliation of the measures which we in Australia have taken to prevent an influx of Asiatics, decide to come in here by force.

Senator DOBSON.—I am glad that the honorable senator admits that our measures do justify retaliation on their part.

Senator PLAYFORD.—Uncle Jonathan has the Philippine Islands.

Senator STORY.—Nearly all honorable senators admit that this railway must be made at some time. Previous to its construction being commenced there must be a survey, and, whether it is made now, or next year, or ten years hence, it will cost just about the same amount of money. Any information collected as the result of a survey at the present time would be just as

useful ten or fifteen years hence as now. If it were necessary for defence purposes to hurriedly construct a line to connect the western with the eastern States, the fact that a survey had already been made would be a very great help.

Senator Sir WILLIAM ZEAL.—It would only be a preliminary survey.

Senator STORY.—It would save a very considerable amount of time if the railway had to be constructed for defence purposes. A good deal has been said by the last two speakers about the two States particularly concerned paying the cost of the survey. But South Australia has no more interest in the construction of the line than has Queensland. If Australia were invaded on the north-east or the west or the north, South Australia would be no more interested than any other State. If it wishes to spend a large sum on railway construction, undoubtedly it will do so on the line from Adelaide to Port Darwin. I believe that it will go on with the construction of that line, but whether it will be finished or not I am not prepared to hazard a guess. The line must ultimately be constructed, I think, for defence purposes. In an oft quoted report, Major-General Hutton said our defence system would never be complete until Western Australia and Port Darwin were connected by rail. I ask honorable senators who have cavilled at the expenditure of £20,000 on a survey to put themselves, if they can, in the position of the representatives of Western Australia, and consider whether they would not then look at this project from a different point of view. Here we have a very rich part of Australia not altogether undefended, but with nothing like the defence it ought to have. In the case of invasion, the people of Western Australia would be entirely helpless. It would be utterly impossible for any assistance to reach them from the eastern States by water. A hostile force would naturally come in ships, and any relieving force which attempted to go round to Western Australia by water would be very soon destroyed. The only way by which assistance could be rendered to that State would be by land communication, and that is by a railway. Whether it is advisable to spend even £4,500,000 on a railway at present I do not intend to argue at this stage; but I submit that it is advisable to make a survey, because it would save time hereafter, and when the formal consent of South Australia was given, the

Federal Parliament could then consider the question of constructing the railway.

Senator STYLES.—Why do not the two States make the survey, if it would cost only £20,000?

Senator STORY. — I ask why should these two comparatively weak States incur this enormous expense of £20,000, which, according to Senator Styles and others, is too much for the Commonwealth to incur? That is a most unfair position for honorable senators to take up, because the two States are no more interested in the line for defence purposes than are Victoria and New South Wales. If a hostile force were to invade Western Australia it would gain a footing from which it could not be dislodged, and that certainly would be a very bad thing for Victoria and New South Wales.

Senator PLAYFORD.—There could be no invasion of Western Australia unless the British Fleet were destroyed.

Senator STORY. — I believe that the mind of every honorable senator has been made up for a considerable time. If the Bill is defeated now, and is introduced once or twice more, the cost of printing the speeches of its opponents will amount to quite as much as would be required to make the survey of the line. If honorable senators are not in favour of passing the Bill, and they have any real desire to obtain fuller information, a reference of the Bill to a Select Committee, as Senator Neild suggested, would result in very valuable information being obtained, and the question could afterwards be discussed from a better stand-point. I intend to vote for the second reading of the Bill, and I sincerely trust that, in the interests of defence and of the welfare of Australia, it will be passed.

Senator HIGGS (Queensland). — I do not propose to speak at any great length, because nearly all the arguments against the proposal have been dealt with very exhaustively. I think that the proposal might be very well used as a very strong argument in favour of elective Ministries. I am not allowed by the Standing Orders to go into that matter, except for the purposes of illustration. This Bill has found a place on the programme of every Government, for some reason or other.

Senator MATHESON.—On its merits, undoubtedly.

Senator HIGGS.—No. I believe that, if a majority of the Parliament had a

chance of voting on the proposal apart from the exigencies of the situation, so far as the Government is concerned, it would not have a chance.

Senator PLAYFORD.—It was carried by a majority of twenty-two in the other House.

Senator HIGGS.—Take the case of the Minister of Defence, to whom I refer with a great deal of compunction. It is really painful to me to consider his position, because I have such a great respect and regard for him. He is, as we all know, a gentleman who believes in government by the people and for the people. He is a very strong democrat; and indeed, if I may say so in his presence, a very lovable person. His present attitude on this Bill, however, shows that he is not only a politician and a statesman, but a consummate actor. Any one who has watched the honorable senator throughout this debate, and has heard him cheer the supporters of the measure, and glory in the downfall of its opponents, must have come to recognise that the stage has lost a very eminent ornament. Speaking on the defence aspect of this question, the honorable senator said last week—

It is an unmistakable Federal obligation that, for defence purposes, the line should be constructed, and sooner or later, it must be constructed.

That is what he said as Minister of Defence, but when he was speaking from the Opposition benches, referring to this very question, he said—

There is only one ground on which its construction can be defended. If it is required for defence purposes, then the rest of the community might put their hands in their pockets to the tune of, say, £50,000 or £100,000 to make up the loss which would be occasioned. They might find that sum every year for defence purposes just as we find the money to insure our buildings against fire.

The PRESIDENT.—Is the honorable senator quoting from a debate during the present session?

Senator HIGGS.—No, I am quoting from last session's *Hansard*. I wish also to point out that Senator Matheson, who at great length quoted Major-General Hutton's views, refrained from giving his opinion as expressed to the Minister of Defence. On the 14th May, 1903, Major-General Hutton said—

As long as the supremacy of the sea is in the hands of the Royal Navy no serious attack on Australia, upon a large scale, may be considered as practicable. In this regard little attention

need be paid to the temporary or local effect of a raid upon one or two of the undefended ports.

That means that so long as the British Navy is a fighting force, there is no possible chance of any attack being made on Western Australia, or on any other part of the Australian Continent.

Senator MATHESON. — Major-General Hutton went on to point out that there was.

Senator HIGGS.—But if the British Navy no longer existed as a fighting force, and if an enemy attacked Australia, presuming that the line were constructed between Port Augusta and Kalgoorlie, the enemy would simply have to go to some other part of Australia in which there was not a railway. He could then carry out his plan just as effectively as if there were not a line between the two points mentioned.

Senator DAWSON.—What other part of Australia is open to attack?

Senator HIGGS.—From Fremantle to Port Darwin, and right round the northern coast to Townsville.

Senator DAWSON.—The only two parts of Australia that are open to attack are Western Australia and Queensland.

Senator HIGGS.—Senator Playford's speech last week is best answered by his speech reported in *Hansard*, on the 3rd June, 1903, page 438, when the honorable senator said—

I am highly amused at my honorable friends from Western Australia referring to what they call the transcontinental railway. I have never heard of a railway to run along a coast being called a transcontinental railway. The general understanding of a transcontinental railway is that it is one to run from the coast on one side of the Continent to the coast on the other side. But our honorable friends from Western Australia—that land of sin, sorrow, and sand—will insist upon using this high-sounding phrase of “transcontinental railway.”

The phrase came very glibly from the honorable senator last week.

Senator PLAYFORD.—I never used it once last week.

Senator HIGGS.—The honorable senator used it once or twice, as *Hansard* will show. In his speech in 1903, he continued—

I have some knowledge of the territory in South Australia; first, from having seen some of the land; second, from talking with those who have gone over the route of the line; and third, from having, when Commissioner of Crown Lands, sent out an expedition to report to me on the Nullarbor Plains. The fact is that on the border line of Western Australia and South Australia there is an immense area of well-grassed

land. The puzzle is that it grows good bushes and is well grassed. It is one immense crystalline limestone formation, in which all the water runs away, in which you cannot make a dam until you get to some granite outcrop. I thought that we might be able to get artesian water. When I was in office I suppose I spent over £5,000, and I believe that South Australia has spent from £10,000 to £20,000 to that end. We sank to a depth of 3,000 feet, but we never got artesian water. . . . It appears to me that our experience on the Nullarbor Plains will be repeated elsewhere along the route of the line. The country, with the exception of a slip round Port Augusta, right away to Kalgoorlie, with the exception of a slip round Eucla, has never been taken up by the pioneering squatters. If they could have made dams they would have taken up the land. It has not been taken up, not because it has no food for stock, but simply because it is waterless. For the whole distance from Port Augusta, except near that port, to Kalgoorlie, the railway would not pick up one ton of freight on the one hand, or one passenger, practically on the other hand. It would never pay.

That is Senator Playford's speech, in Opposition, in answer to the Minister of Defence, in office. Now, I wish to say a word or two in answer to Senator Matheson's very positive statement that the Western Australian Government had reserved some twenty-five miles on either side of the route as a bonus.

Senator MATHESON.—I did not say as a bonus.

Senator HIGGS.—I appeal to honorable senators as to whether Senator Matheson did not say that it was proposed to reserve twenty-five miles on either side as a bonus to the Commonwealth for constructing this line.

Senator MATHESON.—I said that if the Commonwealth wanted it as a bonus they could insert it in their own Bill.

Senator HIGGS.—I have asked other honorable senators from Western Australia, who tell me that they know nothing of such a proposal. Senator Matheson's statement may be calculated to appeal to those members of Parliament who favour land nationalization, but of what value to the Commonwealth would twenty-five miles of territory on either side of the line be? If the land is of any value, the construction of the railway would enhance that value, but the increase would go to the people of Western Australia, and not to the people of the other States, who would have heavy burdens to bear in connexion with it.

Senator MATHESON.—Parliament can stipulate in the Railway Construction Bill that the Commonwealth shall get the enhanced value.

Senator HIGGS.—Why does not the honorable senator have these proposals made in some substantial form? His statement is comparable to that of Mr. Walter James, that if we constructed this line Western Australia would pay her fair share of the loss for the first ten years, though he was not prepared to say what that share would be. I do not wish to go into the question of the value of the calculations of the engineers, but I may remark that their calculations are based on  $3\frac{1}{2}$  per cent. interest being paid on loan money. But Western Australia itself, which is one of the richest of the States, has had to pay 4 per cent. for money borrowed to complete the gold-fields water scheme. Mr. Gardiner, the ex-Treasurer of the State, on his return from England, stated that for some time the States would have to pay 4 per cent. for any moneys they might require. The extra  $\frac{1}{2}$  per cent. would make a considerable addition to the £5,000,000 that would have to be paid for the construction of the line. Another point is that on the showing of the Western Australian senators this State is more prosperous per head of the population than any other State in the group. In a pamphlet issued by the Western Australian Government, entitled "The Western Union Railway," various facts are given to prove the prosperity of the State. By the way, it is noticeable that since the criticism of the title, "Transcontinental Line," the supporters of the measure have rather dropped that term. Probably they have done so largely owing to Senator Playford's remarks in 1903. Now it is termed "The Western Union Line." In this pamphlet a great number of facts are given as to the prosperous condition of Western Australia. It is shown that the trade per head of the population of Western Australia is £77 per annum, and, singular to say, that is compared with the trade of Tasmania, which amounts to about £33 per head. The prosperous State of Western Australia is asking, the poorer State of Tasmania to meet the interest which will fall due for a great many years in connexion with losses on this line.

Senator DAWSON.—Does not the honorable senator believe that all the railways ought to belong to the Commonwealth?

Senator HIGGS.—I think it would be an advantage if the railways were in the hands of the Federal Government; but it does not follow that because we favour the



federalizing of the State railways that we are prepared to construct railways through any part of the Commonwealth a particular State may desire.

Senator DAWSON.—Should not all new railways belong to the Commonwealth?

Senator HIGGS.—The Standing Orders do not allow me to have a dialogue with the honorable senator. We have been told by some of the supporters of the measure, though not, perhaps, so emphatically as was the case last year, of the anxiety amongst Western Australians for the construction of this line, and of what may happen if the Commonwealth refuse to construct it. When I had the good fortune to visit Western Australia along with other members of this Parliament, we were met in the great mining districts which this proposed railway is to serve, by men bearing banners and streamers, on which were the words, "We want the Esperance Bay railway." That was the railway Federal members appeared to be asked to support; and it is singular that in the pamphlet which I have referred to as issued by the Western Australian Government in order to convert people to this railway, the Bay of Esperance, although it occupied a prominent place in the debates, does not appear on the accompanying map; it is absolutely blotted out. Inasmuch as Esperance Bay offers a kind of alternative route, it ought to have found a place on that map, so that we might have been seized of the facts from all standpoints. The real opinion of Western Australia is, I think, voiced by Mr. Frank Wilson, attorney to the Collie Proprietary Coal Company. Mr. Wilson, speaking at the Wallsend mine, is thus reported in the *West Australian*:—

Referring to the transcontinental railway, he predicted that if the Federal Government were not prepared to construct the line, the Western Australian Government would undertake its portion, if the State of South Australia would do likewise.

It seems to me that that is more likely to represent the feeling of the independent-spirited people of Western Australia than the suggestion that they are coming to the Commonwealth, cap in hand, for the necessary money. The Bill itself—which Senator Matheson was going to justify so conclusively, but with which, although he mentioned it, he failed to deal—is a Bill to survey "a route for a railway from Port Augusta to Kalgoorlie." There is not a single letter in the Bill which suggests

to those who are to make the survey that they have to institute any inquiries whatever as to the cost of construction and equipment. That latter question has apparently been decided, and what the Government ask for is £20,000 for a permanent survey of a route for a railway.

Senator PLAYFORD.—Not a permanent survey.

Senator Sir WILLIAM ZEAL.—It is a preliminary survey; a permanent survey will have to be made afterwards.

Senator HIGGS.—Senator Playford describes it as an inquiry; but what does Sir John Forrest say? When asked in the House of Representatives whether this was to be a flying or a permanent survey, Sir John Forrest said that it was intended to be a permanent survey.

Senator PLAYFORD.—Sir John Forrest is wrong.

Senator HIGGS.—When this Bill and the question of the revenue which the railway would produce was before us, I wrote to the Commissioners of the Victorian Railways, asking them if they would be good enough to give me the rates of freight charged for goods between Melbourne and Brisbane. It struck me that the distance between those places is about the distance that the proposed railway would traverse. The information supplied to me by the Commissioners was as follows:—From Melbourne to Sydney, a distance of 583 miles, the freight in the A division is 55s. 6d. per ton; B division, 85s. 11d.; C division, 128s. 1d.; first class, 175s. 3d.; second class, 218s. 5d.; third class, 240s. 8d. Between Fremantle and Kalgoorlie, a distance of 397 miles, the freight is—A division, 28s. 9d.; B division, 36s. 5d.; first class, 82s. 6d.; second class, 103s. 8d.; third class, 152s. 7d. From Brisbane to Sydney, a distance of 723 miles, the freight is—A division, 58s. 4d.; B division, 104s. 5d.; first class, 108s. 6d.; second class, 268s. 6d.; third-class, 310s. 8d. From Brisbane to Melbourne, a distance of 1,306 miles, the freight is—A division, 99s. 6d.; B division, 164s. 2d.; first class, 322s. 6d.; second-class, 422s. 3d.; third-class, 475s. 5d. The very lowest rate in the very lowest and cheapest class from Melbourne to Brisbane is £4 19s. 6d. I consulted the steam-ship companies as to the rates of freight charged by sea, and I was informed that it is anything from 12s. 6d. to £2 per ton from Melbourne around to Fremantle. Honorable

senators will very easily see from the difference between shipping freights and railway freights the improbability that the proposed railway would be remunerative in this connexion. The Secretary to the Victorian Railway Commissioners said in the letter which accompanied the information I have given—

I may add that it is a very rare occurrence for goods to be forwarded by rail from Melbourne to Brisbane.

Why? Because they are carried round by water. I might give a little time to Sir John Forrest's predictions about what is likely to happen if this railway be not constructed; but life is too short. I may mention, however, that Sir John Forrest has referred to the Coolgardie water scheme, and to the prophecies made that it would be a financial failure. No doubt that scheme is a very great enterprise, and Sir John Forrest, in speaking of it, has said—

The Coolgardie water scheme was carried out at a cost of £2,500,000, and we are now told (in 1903) that even before the reticulation is completed, and in the winter time, it is returning a revenue of £112,000 per annum. When the summer comes, it is said that this return will be doubled, so that the scheme may, in its very early days, be regarded as a paying concern.

The scheme, much as may be said to its credit, is not a paying concern. A very recent return which I saw showed that the loss on the scheme is some £80,000 per annum.

Senator DAWSON.—Will the honorable senator look at the other side of the question? Water on the gold-fields is about only one-third the price now that it was before this scheme was carried out.

Senator HIGGS.—The question asked by business people is whether the scheme is a paying concern. I understand that on the gold-fields water is now 7s. 6d. per thousand gallons, whereas previously it was 7s. 6d. per hundred gallons.

Senator DE LARGIE.—It was much more than 7s. 6d. per hundred before the scheme was carried out.

Senator HIGGS.—If the price were higher than I have stated, it furnishes a further argument against this Bill. Sir John Forrest's proposal is to supply the water necessary for this railway by means of pipes from Kalgoorlie. If a work of that kind is proposed, a considerable addition, running, if not to millions, at any rate to hundreds of thousands of pounds, will have to be added to the estimates of Senator Matheson's experts. And if this idea

of Sir John Forrest is not carried out, water will have to be condensed on the spot; and we have just been told that condensed water costs 7s. 6d., or even more, per hundred gallons. I am sorry to find that the supporters of this measure have been so emphatic from the first in their various statements regarding it. First, they based their claim on a compact which they said had been entered into between the people of the Commonwealth and Western Australia.

Senator DE LARGIE.—We said there was a promise by leading Federalists.

Senator HIGGS.—The only two leading Federalists I can find who made anything like a promise were Sir Frederick Holder and Mr. Kingston.

Senator DE LARGIE.—And also Mr. Deakin and Senator Symon.

Senator FRASER.—Mr. Deakin never made a promise.

Senator HIGGS.—As elected representatives, we hold a very high place in the community, but, after all, what are the promises of three or four of us, when balanced against the wishes and determination of the rest of the four millions of people in Australia? I do not think they amount to very much. We find two Premiers of South Australia supporting this proposal, but we find other Premiers of that State taking the opposite view, men like Mr. Jenkins, who has lately gone to England. It seems to me that, in their anxiety to have this proposal carried, honorable senators from Western Australia have been willing to interpret anything as a promise in support of this railway. I remember that Mr. Reid made a speech some time ago at Fremantle. The right honorable gentleman avoided for some considerable time giving any reply on the railway question. He was interrupted frequently by persons amongst his audience, who asked, "What about that railway, George?"

Senator DAWSON.—Be fair to him; he spoke straight out in favour of the railway on every occasion.

Senator DOBSON.—He spoke straight at the Conventions, when he said that the States must build their own trunk lines.

Senator HIGGS.—I can give Senator Dawson, if he desires it, a printed report of the right honorable gentleman's speech. He said, in effect, "I was met at the door by somebody, who put a pistol to my head and asked me what about the railway from somewhere to somewhere else." When a

person in the hall said, "No, no," Mr. Reid said, "What is a railway from Port Augusta to Kalgoorlie, but a railway from somewhere to somewhere else?" He said he was in favour of a trans-Australian line, and he was very glad to find that the Western Australian people had altered the term from "Trans-continental" to "Trans-Australian." He also said to his questioner, "If he can assure me that the route is all right, I can assure him that I will vote for the railway if the route is all right." Immediately after that there appeared throughout Western Australia statements to the effect that Mr. Reid had agreed to support the railway. The right honorable gentleman said that he would support the railway if the route was all right.

Senator FRASER.—The route is all wrong.

Senator DOBSON.—Did the right honorable gentleman give any indication as to what he meant by the route being all right?

Senator HIGGS.—That was the mental reservation, and if, in the opinion of the right honorable gentleman, the route was not all right, of course, he would not vote for the railway. Our Western Australian friends, in their eagerness, said that Mr. Reid was for the railway, and I remember that Senator Pearce was interviewed by a reporter, who asked him whether he was aware that Mr. Reid had expressed himself in favour of the railway?

Senator O'KEEFE.—I have heard Mr. Reid make very emphatic statements in support of the line.

Senator HIGGS.—That was after he became Prime Minister, and honorable senators must see the difference in the position. I do not wish to make any suggestions, but if honorable senators cannot read such signs for themselves, it is not my fault. I believe that if Western Australian representatives had come before us from the commencement with a proposal that the Commonwealth should inquire whether there should be a trans-Australian line running throughout the Commonwealth, they might have found a greater number of supporters. But they have come here, and have endeavoured to force us—because they have exerted considerable pressure, and Western Australia is to be congratulated upon having such strenuous advocates—

Senator CROFT.—If we knew as many tricks as do honorable senators from Queensland, we should have carried the whole thing.

Senator HIGGS.—They have endeavoured to force us by appealing to our

Federal sentiment, and our sympathies with the Commonwealth. If they had asked for an inquiry as to whether a transcontinental railway ought to be constructed, and as to which should be the route chosen for a trans-Australian line, they would have had a stronger vote in their favour, because in that case many of us who come from Queensland, would have been able to put in a claim for a trans-Australian line, connecting a section of the Queensland railways with Port Darwin.

Senator FRASER.—That would be a very much better line than this.

Senator HIGGS.—I think there would be evidence that that would be a much more payable line. South Australian representatives would be able, in those circumstances, to put in a claim for their line running north, right through the centre of the continent. Western Australian representatives have not deemed it wise to adopt the course of asking for such an inquiry, and have preferred to ask us to vote for this route.

Senator PLAYFORD.—Only for a survey?

Senator HIGGS.—Senator Playford is endeavouring to persuade us that we are being asked to vote only for a survey of this line, but the view I take is that which Sir John Forrest has expressed.

Senator CROFT.—He is not everybody.

Senator HIGGS.—There is very little in Sir John Forrest's political economy that I find myself able to agree with. When a man can go to England and tell the British people—

The PRESIDENT.—The honorable senator is not discussing the Bill.

Senator HIGGS.—I proposed, Mr. President, to refer merely as an illustration to certain things to which I shall not now refer in deference to your ruling. But Sir John Forrest has told us that if we vote for the expenditure of this £20,000 on a survey, we must vote for the construction of the line. He does not desire that any one should vote for this survey who is not prepared to back up that vote by supporting a proposal for the construction of the line. I take the view already voiced by some honorable senators that if honorable senators from Western Australia can induce us to vote £20,000 for the survey of a line from Kalgoorlie to Port Augusta the people of Western Australia will be able to say that we believe there is a compact between the Commonwealth and Western Australia for the construction of this line. It will be another piece of evidence to add to the

promises of Sir Frederick Holder and Mr. Kingston.

Senator CROFT.—Every Western Australian senator has given the assurance that he regards this Bill only as a measure to provide for the survey, and that if the result of the survey is not in favour of the construction of the line he will not press for its construction.

Senator HIGGS.—It is true that they have said that this is only for a survey, but it has already been pointed out that if the Government get this through they can appoint surveyors who will not be charged with any duty other than that of making the survey, whilst we know that there are a number of inquiries that ought to be made before a permanent survey of this line is undertaken.

Senator DAWSON. — Why not have a Select Committee to deal with the matter?

Senator HIGGS. — Honorable senators from Western Australia should have come forward with a proposal for a Select Committee, but they have not done so.

Senator TURLEY. — What information could a Select Committee get, any way?

Senator HIGGS.—I do not intend to support a Bill for the purpose of spending £20,000 on a permanent survey of this line. The idea of having a flying survey or a preliminary inquiry has been lately suggested by a gentleman who is not in favour of the construction of the line. We cannot consider his views, but we must consider the views of the strongest supporters of the proposal. In the circumstances, I do not propose to vote for the second reading of the Bill.

Senator Lt.-Col. NEILD (New South Wales).—I should like to be permitted to ask the Minister in charge of the measure whether, in view of what has been said during the debate, if the second reading of this Bill should be carried, he will be prepared to support the reference of the Bill to a Select Committee, as suggested?

Senator PLAYFORD.—Yes, I will do so.

Senator HIGGS.—That is not sufficient.

Senator DAWSON (Queensland).—That promise would absolutely depend on the second reading being carried?

Senator PLAYFORD.—Undoubtedly.

Senator DAWSON.—I should like to say that, during my parliamentary career, I have very often been astonished at the acrobatic feats of politicians.

Senator HIGGS.—The honorable senator is not now referring to Senator Playford, I hope.

Senator DAWSON.—I am referring to Senator Higgs. Listening very carefully to Senators Turley and Higgs, I was very much astonished to find that they both assumed to know more about the opinions of the people of Western Australia and South Australia than honorable senators representing those States in this Chamber.

Senator TURLEY.—I never said a word about the opinions of the people in either State.

Senator DAWSON. — Senators Turley and Higgs in the most emphatic manner declared opinions of the people of Western Australia and South Australia which were opposed to the opinions of the people of those States as submitted by honorable senators representing them.

Senator TURLEY.—I did not say a word about the opinions of the people in either of those States.

Senator DAWSON. — The honorable senator did, and so did Senator Higgs. Honorable senators coming from other States should, in fairness, be prepared to admit that the representatives of Western Australia and South Australia know best what are the opinions of the people of those States.

Senator TURLEY.—I did not deny that.

Senator MILLEN.—Senator Playford gave us the opinions of the people of South Australia.

Senator DAWSON. — I am not sure whether Senator Turley or Senator Higgs is a Mahatma, and has sojourned for some time in Thibet; but they seem to know something which the elected representatives of those States do not know. In connexion with this railway, I am not concerned as to whether there was an understanding or even an implied understanding that this railway should be built, in order that Western Australia might be induced to join the Federation. The question, to my mind, is, is it a good thing for Australia that this railway should be built? In my opinion it is. In the most contemptuous tone, and in the most insulting way, the Melbourne press have referred to this railway as "The Desert Railway," and I regret very much to say that there are certain honorable senators who jump at the crack of the whip of the Melbourne press. When it is called the "desert" railway in the

Melbourne press, they echo the term like a taught parrot, and talk about a "desert" railway. Senator Turley, although he is not a Victorian, has to-night shown that he has been influenced by this talk about desert country. What does he mean by the desert country? What do the opponents of the railway mean by that term? I believed that to a large extent the portion of Western Australia between Fremantle to Kalgoorlie was a desert. But I never before had such an eye-opener as I got when I went over the country. While it is not a forest, and while there are no running streams and rivers which Senator Turley seems to think so much about, and which he does not find in the western part of his own State, still, it has the richest soil to be found in the whole of Australia, although it is called a desert.

Senator FRASER.—What is the good of that country without a rainfall?

Senator DAWSON.—All it needs is water. Sir John Forrest was brave enough to propose, and his Parliament was game enough to supply, a water scheme, and at Kalgoorlie and the Boulder City are the finest gardens to be seen in any portion of Australia. To talk about this place being a desert is to utter an absolute scandal. It is a disgrace to any man to utter such a remark.

Senator FRASER.—It is nothing else. Is it settled upon?

Senator DAWSON.—It certainly is.

Senator FRASER.—Oh!

Senator DAWSON.—I may tell the honorable senator, who is a Victorian, that had it not been for the enterprise of Western Australians in this desert country, Victoria would have been insolvent to-day.

Senator FRASER.—Oh!

Senator DAWSON.—It was the wealth of Kalgoorlie, Boulder City, and Coolgardie which saved Victoria from insolvency.

Senator Sir WILLIAM ZEAL.—That is all bosh.

Senator DAWSON.—It certainly is not.

Senator Sir WILLIAM ZEAL.—The honorable senator does not know anything about it.

Senator DAWSON.—I say that £83,000 per month came through the Government Savings Bank to starving families in Victoria from Western Australia, and it is a

disgrace to any man to even hint that this country is a desert.

Senator Sir WILLIAM ZEAL.—The honorable senator had better settle upon it and see how he will get on.

Senator DAWSON.—I am prepared to show from the records of the Senate that for over two years, £83,000 a month was sent through the Government Savings Bank to the wives and families of Victorian miners who were working in Western Australia. Yet some men have the sublime audacity to say it is a desert. For several reasons, I think that this railway ought to be constructed. It would complete the railway systems of Australia. No one can deny that it is absolutely essential that one of the open gates of Australia—that is Western Australia—should have one means of concentration apart from the sea. We have no chance of considering a proposal to establish a navy. We must have some other means of communication between the east and west, and that is a railway. I should not care if it were to be built on a sand bank, or to go over ice, so long as it connected our railway systems. This line ought to be constructed in order that we may be able, at the point of danger—Queensland in the north, or Western Australia in the west—to concentrate our forces to repel an enemy. "Desert railway" is a contemptuous term which has been used by the unspeakable press of Melbourne, and taken up in a parrot-like way by some honorable senators. To my mind, their action is absolutely disgraceful. Senator Givens and Senator Turley know that the best paying railway in Queensland passes through country which is not settled. The line from Townsville to Charters Towers pays 12½ per cent. It traverses poor country, but when it gets to the terminus it pays.

Senator PEARCE.—Our eastern gold-fields' railway is the best paying line in Western Australia.

Senator DAWSON.—Exactly, and it has the best service to be found in all Australia. Senator Turley knows just as well as I do that the railway from Maryborough to Bundaberg goes through grass-tree country which would not feed one cow to forty acres, but when it gets to Bundaberg, and the Isis scrub, it pays. The opponents of this line talk about a desert railway.

Senator Sir WILLIAM ZEAL.—Can the honorable senator show that it is anything but a desert railway?

Senator DAWSON.—I can show that the country it will traverse is not a desert.

Senator Sir WILLIAM ZEAL.—Well, what is it?

Senator DAWSON.—It is one of the best growing places in the world. I can assure the honorable senator that in Kalgoorlie and Boulder City—

Senator Sir WILLIAM ZEAL.—The honorable senator is talking about the country round Kalgoorlie and Port Augusta.

Senator DAWSON.—The line traverses the same class of country.

Senator Sir WILLIAM ZEAL.—Nonsense!

Senator DAWSON.—The line traverses a rich, red loamy soil with a good subsoil.

Senator Sir WILLIAM ZEAL.—But where is the settlement?

Senator DAWSON.—The settlement is in Kalgoorlie and Boulder City.

Senator Sir WILLIAM ZEAL.—That is on the gold-fields.

Senator DAWSON.—I can assure my honorable friend that there will not be found in any part of Australia, not even in the garden city of Bendigo, so many comfortable cottages, with little vegetable and flower gardens, as are to be seen in either Kalgoorlie or Boulder City.

Senator Sir WILLIAM ZEAL.—No one disputes that.

Senator DAWSON.—Does the honorable senator call a country in which these gardens abound a desert? In Boulder City I stayed with a friend, Mr. Banham, who, on a quarter-acre allotment, grows all the vegetables he requires for his wife and family of five children. He has the water at his service, and he has no need to buy any article from a Chinaman. He would, of course, rather starve than buy from a celestial.

Senator MILLEN.—Does the honorable senator bring an instance of irrigation cultivation as proof that it is not a desert? If it is not a desert, what does he want the water for?

Senator DAWSON.—When the honorable senator talks of this country as a desert he conveys to the minds of those who do not think that it is either a mountain or a plain of sand. It has a rich loamy soil which merely needs water. The country to Kalgoorlie was called a desert. Owing to the intrepidity and pluck of a man called Hannan they found a gold-field there, and it is to-day a more prosperous city than Melbourne. The country from Kalgoorlie to Port Augusta is also called a desert. But is that so? Have we not

heard that a man went across this country with his wife and family in a "prairie schooner," without losing a goat, or fowl, or sheep? When a man takes his family in a covered-in cart he does not ride through the country like Lindsay Gordon would ride on Carbine. He must travel by easy stages with his stock, and have a camping place by night. A man travelled across this country without losing one head of stock.

Senator MILLEN.—The only evidence we have of that is a telegram from the Perth correspondent of a Melbourne newspaper.

Senator DAWSON.—We have an interview with the man by a representative of the *South Australian Advertiser*.

Senator MILLEN.—We have the evidence of experts that for five days they had to camp without finding water.

Senator DAWSON.—Did the experts go over the country? Here is the evidence of a man who travelled with his wife and family in a "prairie schooner," and did not lose a head of stock on the way. Yet it is called a desert country!

Senator FRASER.—I will give £100 to the hospital if the honorable senator will produce the man at the door and let him give evidence.

Senator DAWSON.—What time will the honorable senator allow me in which to produce the man?

Senator FRASER.—A reasonable time.

Senator DAWSON.—This man travelled across the country.

Senator FRASER.—He never did.

Senator DAWSON.—I know that the honorable senator will not doubt the word of Sir Langdon Bonython, who caused a reporter to interview the man and ascertain how he got through the country. It was elicited at the interview that he got water at about every fifteen miles.

Senator FRASER.—Is the *South Australian Advertiser* much better than the *Argus* or the *Age*?

Senator DAWSON.—It is the best daily newspaper in Australia, and, in my opinion, the *Argus* and the *Age* are about the worst.

Senator FRASER.—They get credit all over the world for being very good newspapers.

Senator DAWSON.—Understanding or no understanding, in the interests of Australia as a whole this railway should be built. It will be a sorry day for Australia if it does not get railway communication between the east and the west. Do the opponents of this proposal think that Federation between the east and the west is a mere

breath on the atmosphere, or a reality? If it is to be a reality this line must be built. As one who represents a State which has suffered financially from Federation up to the present time, I support the Bill.

Senator FRASER.—Indeed it has not. It has been treated very liberally in the matter of the bonus to the sugar industry, and in one way and another.

Senator DAWSON.—That is quite another matter, and I say to our Queensland friends that when they are opposing this railway to Western Australia, they ought to remember that the people of that State, if vindictive and vicious, could refuse to support the bounty to the sugar industry. As we have been liberally and well treated, we ought to be grateful and patriotic enough to give to Western Australia a chance to prove its case.

Senator STEWART (Queensland).—I do not think it proper to allow this measure to go to a vote without giving my reasons for my attitude towards it. The Bill provides that the Federation shall exercise the power contained in the 34th article of section 51 of the Constitution—that is, "Railway construction and extension in any State with the consent of that State." It is clearly laid down by the Constitution that before the Federal Parliament can do anything towards the construction of railways in any State, it must have the consent of that State; not merely a telegram from the Premier of the State, or an assurance or a letter from him, but an Act passed by the Parliament of the State assenting to the Commonwealth entering upon the business of construction. Senator de Largie and Senator Matheson insist on the fact that we are not engaged in considering a proposal for construction. What is the meaning of this Bill? Do those honorable senators think that we are a lot of school boys who cannot see an inch before our noses? Is not this Bill a preliminary to construction? My opinion is that the Senate ought not to embark on a policy of railway construction without very serious consideration. In the first place, this question ought to have been prominently brought before the constituencies at the last general election. We are asked to enter on a policy which involves a great many other things. It involves borrowing money. If persisted in, it will interfere with the railway policy of every one of our States. From whatever point of view

one likes to regard it, one must see that it is one of the most serious matters that has been brought before the Federal Parliament. Although I, in common with other Queensland representatives, have been accused of coming here with a biased and prejudiced mind, I can assure honorable senators from Western Australia that it would give me the greatest possible pleasure if I could vote with them. I know that they feel that their credit will be impaired in their State if they fail to carry this measure through the Senate.

Senator DE LARGIE.—The honorable senator need not believe that.

Senator STEWART.—They feel that way, rightly or wrongly. Honorable senators have no right to impute motives to those who do not agree with them. I am not imputing motives to any one. I come here to do my duty, first to the Commonwealth, and secondly to the State to which I belong. If Senator de Largie thought more of the Commonwealth than he does of the State of Western Australia, he would not be supporting a proposal of this character. Why should the Commonwealth embark on a policy of railway construction? Is it not incumbent on those who wish us to embark on this policy to give good reasons? The conduct of both Western Australia and South Australia on this question—more particularly of South Australia—has been absolutely contemptible, if I may use such a word with regard to a State. Just look at the dog-in-the-manger attitude of South Australia. That State says, "You can go on, and spend Commonwealth money, but we pledge ourselves to nothing." Apparently it is that State which is conferring the favour of allowing the Commonwealth to build a railway within its territory. Instead of these two States spending their money, one of them—which, as its representatives are fond of telling us, is the richest State in the Commonwealth—asks the Commonwealth to spend the money of all the States. I was over in Western Australia lately, and heard and read glowing accounts of the prosperity of the State. It reminded me of Joseph when he went to Egypt. Joseph was a most successful young man. By-and-by his poor brethren came along, and if Joseph, instead of concealing his identity from them, had taken them round Egypt, and advertised all his magnificent surroundings to them, he would have

occupied just the position that the Western Australians occupied towards those who went over from the other States. They said, "Just look at this rich, glorious, magnificent territory of ours! All that we want to make us comfortable is a little railway, which we invite you poor chaps from the other States—who have built your own railways—who have connected your capitals with the capitals of the other States at your own expense—to build for us."

Senator DAWSON.—As a matter of fact, the honorable senator, while in Western Australia, never talked about anything except protection.

Senator STEWART.—I am not saying what I talked about. I read of one mayor in Western Australia who gave as a reason why this railway should be built the fact that the mines in a certain district had paid £20,000,000 in dividends. "Yet," he said, "the Commonwealth is afraid to spend a paltry three or four millions in building a railway for us!" It occurred to me that the Western Australian Government acted very foolishly in not taxing such huge dividends as that, and retaining in its own hands a sufficient sum to build the railway, if they thought it necessary. I do not wish to go into the merits and demerits of the proposal. We know very little about the country through which this line is proposed to be constructed.

Senator PEARCE.—The honorable senator does not want to inquire.

Senator STEWART.—I say that it is not our business. I know that my honorable friends from Western Australia say that it is a national work. When I hear that phrase I think I am back in the State Parliament, where the member for Cow Flat gets up and says that he wants a bridge across a creek, and that it is a national work. Of course it is a national work; and if the member can persuade the people of the State to build the bridge across his creek it is all right. Similarly, our friends from South Australia and Western Australia say that this line is a national work, which ought to be constructed by the Commonwealth.

Senator PEARCE.—The honorable senator says that the sugar bonus is a national work.

Senator STEWART.—Every question should be tested on its merits. The sugar question has nothing to do with the transcontinental railway. I am surprised

that honorable senators opposite, whose purity of motive in public life I should be the last to question, should try to play off the one matter against the other. So far as I am concerned, if every member of the Senate who is in favour of this Bill voted against the sugar bounty, it would not influence my vote in the slightest degree. I judge every question on its merits.

Senator PEARCE.—The sugar bounty is the honorable senator's particular parish pump.

Senator STEWART.—It is not my particular parish pump. I have not any parish pump. I try to think continentally. I do not wish to introduce the word parochialism, but if it is to be applied to any one I think I could fix it. If the people of Western Australia and South Australia are really in earnest about this railway, they ought to get the route surveyed themselves. Senator Mulcahy suggested that the Western Australian and South Australian Governments should find the money, and that, so that we should not be accused of having no faith in the survey made under the supervision of those States, they should permit the Federal Government to spend the money for them. I think that is a very fair proposal. My honorable friends from Western Australia sneer at it. Of course it does not suit them. But if they have a good thing, and can show the people of the Commonwealth that it would pay to build the railway, I hold that it is their duty, seeing that they are the people who require the railway, to give reasons why the present policy of the Commonwealth should be departed from. It has been said that those who share my view do not represent public feeling in Queensland. So far as I know that public feeling, I do represent it when I vote against this measure. Whenever I spoke on the question—and that was not very often, because it was not really a burning question with us—opposition to the proposal was displayed. The people of Queensland argue that they have incurred a heavy debt in building their own railways—in fact, that they are so deeply in debt that it is not wise to borrow money even to construct railways that are absolutely necessary. In Queensland, the burden of debt is very serious, and it is not desired to add to it if that step can be avoided. I do not wish to enter into the question whether this railway is necessary from a defence point of view. A great many



things are necessary for the defence of Australia. We require harbor defences, and not only a railway to Western Australia but a railway to Port Darwin, and also to the Northern Territory, opposite Thursday Island. In fact, if we had the money we could spend £50,000,000 on works which are necessary—if we put it that way—for the defence of Australia. But we have not the money, and we cannot embark on those works, and for that reason we must be content to go on for some time as we have been going. I have no doubt that some day, probably in the near future, the east and west will be joined by a railway. It is more than likely that the people of ten years, twenty years, or twenty-five years hence will see their way clear to carry out such a work, but it would be folly on our part, situated as we are, to embark the Commonwealth on an expenditure which might reach to even more millions than have been mentioned during the course of the debate. I intend to support the amendment, because I think that we ought to have had the consent of South Australia before we even considered the matter.

Senator DE LARGIE (Western Australia).—I should not have troubled the Senate again but for the fact that the public opinion of South Australia on this matter has been questioned. I took part in a series of meetings in all the principal towns of South Australia, and at those meetings, and others, resolutions in favour of this railway were passed without, I think, a dissentient voice. South Australian opinion, so far as I can interpret it, is undoubtedly in favour of the proposals in this Bill, and that being so, I regard the amendment as a mere subterfuge.

Senator GIVENS.—When I move an amendment in accordance with the Standing Orders, am I to be accused of subterfuge?

The PRESIDENT.—Senator de Largie is not in order in saying that another honorable senator has been guilty of subterfuge, and the word must be withdrawn.

Senator DE LARGIE.—I withdraw the word, because I do not wish to throw a discordant note into the debate at the last moment. There need be no doubt about the public opinion of South Australia. South Australian public men both in the State Parliament and in the Federal Parliament, are undoubtedly in favour of this survey being made. If the rules

of debate had been put strictly in force, I am afraid that many of the speakers, during the debate, would have been called to order for departing from the subject-matter of the Bill. We ought to keep the question of the survey before us; and I am anxious that the matter should be left open for further investigation, if possible. Like other Western Australians, I am not afraid of investigation, though we have had to listen to many remarks to which exception might be taken as to the public opinion of our State on this question.

The PRESIDENT.—Does the honorable senator think that he is discussing the amendment, which has reference to the consent of South Australia?

Senator DE LARGIE.—I am contending that the consent of South Australia is quite unnecessary, but I am prepared to accept the suggestion thrown out by Senator Neild, that a Select Committee should be appointed, as one way out of our present difficulty.

Senator MILLEN.—Is the honorable senator discussing the amendment?

The PRESIDENT.—I do not think the honorable senator is discussing the amendment. I know it is difficult to speak to an amendment without dealing, in some degree, at all events, with the main question. But the amendment is simply to strike out certain words with a view to inserting others providing for the formal consent of South Australia, and that has nothing to do with public opinion in Western Australia or a Select Committee. I do not want to hamper honorable senators or to apply the rules too strictly; but I ask the honorable senator to confine himself, as far as possible, to the amendment.

Senator DE LARGIE.—Senator Fraser has questioned the proof to-night of certain statements put before the Senate, first of all baldly denying that Mr. Deakin ever gave a promise prior to Federation.

The PRESIDENT.—The honorable senator must know that that has nothing to do with the amendment.

Senator DE LARGIE.—When there are interjections, surely an honorable senator is entitled to make some kind of reply. Senator Fraser, further, has questioned whether Mr. Halford took his family across this country. If I were permitted to read as evidence Mr. Deakin's statement delivered at Albany before Federation, I could show that he made a very clear and explicit promise.

The PRESIDENT.—The honorable senator must really confine himself to the amendment.

Senator DE LARGIE.—I wish to show that not only South Australia, but the whole of Australia, is in favour of the Bill.

The PRESIDENT.—It does not matter, so far as the amendment is concerned, whether the whole of Australia is in favour or against the proposal. The amendment simply asks that certain things shall be done by South Australia.

Senator DE LARGIE.—I see no necessity for asking the consent of South Australia. That consent has already been given through the representatives of that State in the Senate, and in the telegram of the present Premier of the State. The consent asked for is also to be found in the resolutions I have referred to as passed at public meetings. The amendment will merely have the effect of causing delay, and I think there ought to be a straight out vote as to whether the Bill should be read a second time.

The PRESIDENT.—Before putting the question, I should like to say a word or two as to the vote I am about to give. I am going to vote for the second reading of the Bill. When I was before my constituents in South Australia I was asked on several occasions whether I would vote for the construction of this railway by the Commonwealth, and I said I would; and I am going to carry that promise into effect. Whether I was wise in making such a promise or not is another question, and whether I should make that promise again after what I have heard in the debate, is also open to doubt. But I made the promise, and I am going to keep it.

Question—That the words proposed to be left out be left out—put. The Senate divided.

Ayes	...	...	15
Noes	...	...	14
<hr/>			
Majority	...	...	1

## AYES.

Dobson, H.	Stewart, J. C.
Fraser, S.	Styles, J.
Givens, T.	Trenwith, W. A.
Gray, J. P.	Turley, H.
Higgs, W. G.	Zeal, Sir W. A.
Macfarlane, J.	
Millen, E. D.	
Mulcahy, E.	
O'Keefe, D. J.	

Teller:

Clemons, J. S.

## NOES.

Baker, Sir R. C.	Neild, J. C.
Croft, J. W.	Pearce, G. F.
Dawson, A.	Playford, T.
Drake, J. G.	Smith, M. S. C.
Guthrie, R. S.	Story, W. H.
Henderson, G.	
Matheson, A. P.	
McGregor, G.	

Teller:

de Largie, H.

## PAIRS.

Gould, A. J.	Walker, J. T.
Best, R. W.	Pulsford, E.

Question so resolved in the affirmative.

Question—That the words proposed to be added be added—resolved in the affirmative.

Amendment agreed to.

Question—That the Bill be not further considered until evidence that the Parliament of South Australia has formally consented to the Commonwealth constructing that portion of the proposed railway which would be in South Australian territory, has been laid on the table of the Senate—put. The Senate divided.

Ayes	...	...	19
Noes	...	...	10
<hr/>			
Majority	...	...	9

## AYES.

Baker, Sir R. C.	Neild, J. C.
Dobson, H.	O'Keefe, D. J.
Fraser, S.	Stewart, J. C.
Givens, T.	Styles, J.
Gray, J. P.	Trenwith, W. A.
Guthrie, R. S.	Turley, H.
Higgs, W. G.	Zeal, Sir W. A.
Macfarlane, J.	
McGregor, G.	
Millen, E. D.	
Mulcahy, E.	

Teller.

Clemons, J. S.

## NOES.

Croft, J. W.	Playford, T.
Dawson, A.	Smith, M. S. C.
Drake, J. G.	Story, W. H.
Henderson, G.	
Matheson, A. P.	
Pearce, G. F.	

Teller:

de Largie, H.

## PAIRS.

Gould, A. J.	Walker, J. T.
Best, R. W.	Pulsford, E.

*In division:*

Senator MILLEN.—May I ask, Mr. President, if you have put the amended motion as a substantive motion?

The PRESIDENT.—The amendment has been carried, and I am putting the question as amended.

Senator TRENWITH.—As I understand it, if the motion now submitted to the Senate is carried, there can be no further con-

sideration of the Bill until the sanction of South Australia in the matter is laid on the table of the Senate. In other words, the Bill will practically be thrown out.

The PRESIDENT.—That is so.

Senator MILLEN.—If the motion is negatived, what will be the position?

The PRESIDENT.—Nothing will be carried, and the Bill will be lost.

Senator PLAYFORD.—It will be lost in either case, and it is an insult to South Australia to put these words in the motion.

Senator TRENWITH.—If this motion is lost the Bill will be defeated.

The PRESIDENT.—Yes, and if this motion is carried, the Bill will only be superseded and not necessarily dropped.

Question, as amended, resolved in the affirmative.

### SUPPLY BILL (No. 2).

Bill received from the House of Representatives.

Senator PLAYFORD (South Australia—Minister of Defence).—I desire to move—

That the Bill be now read a first time.

The PRESIDENT.—I do not know that I would be strictly in order in receiving the motion. We have a standing order under which it is provided that no new business shall be taken after 10.30 p.m.

Senator PLAYFORD.—There must be some motion on the subject. Having received the Bill from another place, we cannot kick it under the table.

The PRESIDENT.—The honorable senator should blame the Standing Orders. Perhaps it would be better for the honorable senator to move that the first reading of the Bill be made an order of the day for to-morrow.

Motion (by Senator PLAYFORD) agreed to—

That the first reading of the Bill be made an order of the day for to-morrow.

Senator PLAYFORD (South Australia—Minister of Defence).—I suppose I shall require to move the suspension of the Standing Orders to-morrow for the consideration of the Bill, but there should be no objection, as it is the ordinary Supply Bill.

The PRESIDENT.—By leave of the Senate, the honorable senator can give notice of his intention to move the suspension of the Standing Orders to-morrow to enable the Supply Bill to be carried through all its stages.

Senator PLAYFORD.—I ask leave to give notice accordingly.

The PRESIDENT.—The question is—That leave be granted.

Senator MILLEN.—I object.

Senate adjourned at 10.40 p.m.

## House of Representatives.

Wednesday, 23 August, 1905.

Mr. SPEAKER took the chair at 2.30 p.m., and read prayers.

### PETITIONS.

Mr. G. B. EDWARDS presented a petition from the Chamber of Manufactures, Sydney, against the provisions in the Trade Marks Bill relating to union labels.

Petition received and read.

Mr. DEAKIN presented a petition from certain residents of Appin, praying that stringent legislation be enacted to prevent the importation of opium for smoking purposes into the Commonwealth.

Mr. BATCHELOR presented a similar petition from certain residents of South Australia.

Sir LANGDON BONYTHON presented three similar petitions.

Mr. GLYNN presented two similar petitions.

Mr. HUTCHISON presented three similar petitions.

Mr. POYNTON presented forty-one similar petitions.

Petitions received.

### MANUFACTURE OF ARMS AND AMMUNITION.

Mr. CROUCH.—Yesterday I asked the Minister representing the Minister of Defence a question with regard to the manufacture of guns, small arms, and cordite within the Commonwealth. The Minister promised that information would be afforded later on. I wish to know whether he can give me an answer to-day?

Mr. EWING.—I regret to say that I cannot give the honorable and learned member a reply to-day. Upon consideration, the matter has disclosed some amount of difficulty, and it is not possible to furnish a reply at a day's notice. The honorable and learned member will be fortunate if the Minister of Defence is able to furnish a reply within a week—I do not think it can be done within that time.

## RETIRING GRATUITIES.

Mr. G. B. EDWARDS.—I wish to ask the Treasurer whether he has ascertained that he was correct in stating last week that the case of Messrs. Bartholomew and Frizzell, in which claims were made for retiring gratuities, had been settled by him?

Sir JOHN FORREST.—I have not yet ascertained, but I shall do so to-morrow.

## MILITARY CLERKS.

Mr. HUME COOK asked the Attorney-General, *upon notice*—

Are the military clerks who were in the employment of any State at the establishment of the Commonwealth, eligible for appointment to a position in the corresponding division of the Public Service of the Commonwealth under section 33 of the Commonwealth Public Service Act?

Mr. DEAKIN.—On behalf of the Attorney-General, I have to inform the honorable member—

This question involves the consideration of the Public Service Acts and the Defence Acts of each of the States prior to Federation, as well as the Commonwealth Public Service and Defence Acts. It also necessitates precise information as to the status of the military clerks referred to under State laws prior to the Defence Departments being transferred. Inquiries are now being made for the purpose of ascertaining the position, and if the honorable member will be good enough to further postpone his question an answer will be given as soon as possible.

## WORK PERFORMED FOR STATES GOVERNMENTS.

Mr. WATKINS asked the Postmaster-General, *upon notice*—

Whether he will approach the various State Governments with a view to recompensing those officers of his Department who have performed State work referred to in a question asked by Mr. Watkins yesterday?

Mr. AUSTIN CHAPMAN.—In reply to the honorable member—

This is one of the questions which was discussed at the Conference between the Commonwealth and State Ministers held in Hobart in February last; no decision was, however, arrived at, and the matter is still under consideration.

## SPECIAL ADJOURNMENT.

Motion (by Mr. DEAKIN) proposed—

That the House, at its rising, adjourn until a quarter-past three o'clock to-morrow.

Mr. THOMAS (Barrier).—I have no objection to the motion, but I should like to know whether the time lost owing to our meeting at a later hour than usual will be deducted from that usually devoted to the consideration of private business. I think

it is only fair that any deficiency should be made good, say, after the adjournment for tea. The first three motions on the notice-paper are of extreme importance, and I think that my suggestion might fairly be adopted.

Mr. DEAKIN (Ballarat—Minister of External Affairs).—If the time at our disposal to-morrow afternoon proves insufficient for the first motion, I shall take care that an extra three-quarters of an hour is allowed for further discussion at some time during the evening.

Question resolved in the affirmative.

## SUPPLY BILL (No. 2).

ATTORNEY-GENERAL'S RETAINER FROM  
SOUTH AUSTRALIAN GOVERNMENT:  
RIFLE RANGES AT TOOWONG AND  
SANDGATE: POST-OFFICES AT DRYSDALE AND GEELONG: IMPORTATION OF  
OPIUM: TELEGRAPH EMPLOYEES:  
PUBLIC SERVICE CLASSIFICATION:  
DIVISIONAL RETURNING OFFICERS:  
TREASURER'S ADVANCE ACCOUNT.

*In Committee of Supply:*

Sir JOHN FORREST (Swan—Treasurer).—I move—

That a sum not exceeding £363,283 be granted to His Majesty for or towards defraying the services of the year ending 30th June, 1906.

The last Temporary Supply Bill, for the month of July, provided for £418,751, made up of £356,751 for ordinary votes, £12,000 for refunds, and £50,000 for the Treasurer's Advance Account. The present Bill provides for ordinary votes amounting to £283,283, refunds amounting to £10,000, and for £70,000 for the Treasurer's Advance Account. Honorable members will notice that the sums appropriated towards the Treasurer's Advance Account in the last Supply Bill, and in the present measure, together represent a total of £120,000. It is customary to provide on the Estimates for £200,000 for the Treasurer's Advance for the year. It may strike honorable members that we are now asking for an excessive sum, but I would point out that £50,000 is required for the purpose of making progress payments in connexion with new works and buildings which were commenced before the end of the last financial year, and are still being carried on, and £25,000 for the construction and extension of telegraph and telephone lines, which are still in progress. Payments in connexion with the purchase

of Defence material will absorb £10,000, and a margin of only £35,000 will be left until the Appropriation Bill is passed and the various votes are recouped. No provision is made in this Bill for the payment of any increases under the Public Service Classification Scheme. None of these will be paid until Parliament has authorized them, and that cannot be said to have been done until the Appropriation Bill is passed. I think that that is a reasonable and proper way of dealing with increases generally, whether under a classification scheme or otherwise. There is nothing in the Bill that calls for special comment, because it merely provides for the expenditure upon the public service in accordance with the votes of last year.

Mr. JOSEPH COOK (Parramatta).—I presume there will be no objection to this Bill. I accept the statement of the Treasurer that the Bill provides merely the necessary instalment for the ordinary expenditure of Government, and there being in it no special items of a debatable character, I know of no reason why it may not be allowed to pass. But I wish to take this opportunity to raise a question which concerns the Attorney-General chiefly, and I very much regret that that honorable and learned gentleman is not in the Chamber. That, however, is not my fault, as I sent him word by the Government whip that I proposed to raise this question.

Mr. DEAKIN.—I think that the information has only just reached him.

Mr. JOSEPH COOK.—The question to which I wish to draw attention is, as I view it, of very serious importance, affecting, as it does, the relation of the Attorney-General to the judicial powers of the States and the Commonwealth. As honorable members know, the South Australian *Hansard* is not the equal of our publication, because the reports of debates have to filter through the newspaper offices before becoming part of the permanent record. I have tried to get the latest issue of the South Australian *Hansard*, recording certain statements which were made in the House of Assembly there, but as it has not yet arrived, I will quote a newspaper report—I think of the Adelaide *Advertiser*—which, I believe, generally gives an even better account of the business transacted in the local Legislature than does the official record. At any rate, I think that the report in this newspaper is substantially correct. The statements

to which I wish to draw attention read as follow:—

In the House of Assembly on Thursday afternoon Mr. McDonald asked if the Treasurer could give the House any information as to the present position of the Murray waters question. Mr. Peake, in reply, said the Government were trying to get that matter pushed on as fast as possible. The small retainer paid to Mr. Isaacs would expire within a day or two, and he had authorized the continuance of his retainer. With the object of getting the matter dealt with as soon as possible, he had arranged to hold a consultation with Mr. Glynn on Monday morning. In the meantime Mr. Glynn had informed him that he had consulted counsel in Melbourne, and he was hoping that Mr. Glynn would be in a position to advise him definitely as to when the case would be taken up. It was thought the High Court would before long be sitting in Adelaide, and he would like to arrange, if possible, that the case should be taken then. . . . Mr. Rounsevell asked on whose advice Mr. Peake was acting as to the South Australian riparian rights at the present time—that of Mr. Glynn, Sir Josiah Symon, or Mr. Isaacs. Mr. Peake said the position was that Mr. Glynn was acting as solicitor for the Government, and Sir Josiah Symon and Mr. Isaacs, King's counsel, had been retained by the Government. The three lawyers named were acting in conjunction.

My point is that the Attorney-General of the Commonwealth ought not to be retained by a State Government on any such important matter as this.

Mr. HENRY WILLIS.—Against the Commonwealth Government.

Mr. JOSEPH COOK.—Not necessarily, but possibly, against the Commonwealth Government.

Mr. BATCHELOR.—The Attorney-General of the late Government was similarly retained.

Mr. JOSEPH COOK.—That does not alter my view of the case.

Mr. BATCHELOR.—Why did not the honorable member raise the question then?

Mr. JOSEPH COOK.—I expected some such objection as that from honorable members seated on the corner benches, and it has come. Surely the Attorney-General might have been left to make that kind of apology. Whoever may be involved, my view of the case is the same. My point is that the Attorney-General of the Commonwealth ought not to be in a position in which his functions as the representative of the Commonwealth Government may conflict with obligations which he has undertaken to a State Government. There are innumerable possibilities for conflict arising in connexion with this very thorny question of the control of navigation and irrigation,

and I submit that, in regard to it, the Attorney-General should not hold his present anomalous position.

Mr. BATCHELOR.—It is not a question arising between a State and the Commonwealth.

Mr. JOSEPH COOK.—The question of the control of rivers and water rights is intimately connected with the question of Inter-State commerce, and to show how thorny it is, and how very readily points of conflict may arise between the Commonwealth and States authorities. I should like to direct the attention of the House to a short statement in Quick and Garrahan's *Annotated Constitution*. Speaking of the concurrent powers of the States, they say—

The navigation power being part of the trade and commerce power, is not "exclusively" vested in the Parliament of the Commonwealth, and, therefore, the concurrent power of the States to deal with Inter-State navigation and with navigable waters will continue, subject to be ousted in part or in whole by Federal legislation.

Later on, they say—

A State may not only, in the absence of Federal legislation, improve the navigability of rivers, but may even obstruct navigability.

The trend of the statement there made is that in the absence of Federal legislation the States may take their own course with regard to the waters running through their territories. The only power that may say them nay is the power of the Commonwealth Government, interposing in the interests of unrestricted freedom of trade and commerce. The quotation continues—

It would seem therefore that, in the absence of Federal legislation, the States may exercise concurrent control over all navigable waters within their jurisdiction; subject, of course, to all the constitutional conditions, such as the prohibitions against interfering with freedom of trade and against discriminating against the citizens of other States by which the exercise of State power is controlled.

The States having these large powers over their waterways, it is quite clear that we may at any time come into direct conflict with any of them in regard to the question of the navigability of the waterways, and also with regard to a possible interference with trade as between one State and another. As this Federal power stands thus related to the States, the Attorney-General of the Commonwealth ought to hold himself free to exercise it at any moment which may be necessary. In other words, he is the watchdog of the Commonwealth with regard to the question of Inter-State free-

dom of intercourse, and the preservation of the navigability of the waters of the various States. It is quite clear, however, that he cannot be our legal watchdog, and, at the same time, the legal watchdog of the South Australian Government. The old saying that no man can serve two masters applies in this case.

Mr. MALONEY.—Lawyers are an exception.

Mr. JOSEPH COOK.—I do not think that lawyers should be an exception in an important matter of this kind. It is quite clear that the Attorney-General cannot be for us against South Australia, and for South Australia against us at one and the same time, unless he has a dual personality like that of Dr. Jekyll and Mr. Hyde. I know that at times lawyers do very strange things, but I think that we should keep the domains of these functions very clear, and should see that our law officers are in a condition of absolute independence. If the Attorney-General has advised the South Australian Government on this matter, as I understand from the newspaper report he has, the procedure laid down is that the honorable and learned member for Angas, a respected member of this House, is acting as solicitor for the South Australian Government in the case.

Mr. HIGGINS.—Is that proper?

Mr. JOSEPH COOK.—I see a very great distinction between the position of the Attorney-General and that of a private member of this House. It might happen at a later stage that the honorable and learned member for Angas might be somewhat fettered in dealing with these questions when they come before the House for discussion and decision, but that is a very different thing from the position of the Attorney-General, to whom is intrusted the prime responsibility of safeguarding the judicial powers of the Commonwealth. Whether it is right or wrong, proper or improper, for a private member to be concerned in this matter has nothing to do with the point which I am discussing. If the Attorney-General has advised the South Australian Government on the questions of the navigability of rivers and of water rights, as they affect South Australia, he ought not to continue to hold his present office in the Government, because he will not be in the independent position which he ought to occupy in dealing with conflicting rights should any question happen to arise respecting them.

Mr. PAGE.—Perhaps the honorable member would like to see the Attorney-General out of the Government?

Mr. JOSEPH COOK.—I have not the slightest wish to see him out of the Government.

Mr. JOHNSON.—Surely this is a legitimate point to raise.

Mr. JOSEPH COOK.—It is a very strange thing that these actions are defended by members of the Labour Party. I admit that the caucus can do with impunity any kind of political wrong, so long as it is solid; but if any set of men in creation should raise a matter of this sort it is those who are deriding me for my present effort to see that the question is set right. I am not going to labour the subject. I shall be very much interested in hearing, after I have sat down, the defence of the Attorney-General by those who are now interjecting. The honorable and learned member has bound himself by oath to guard the judicial power of the Commonwealth, and, therefore, he should not be retained by a Government whose interests may conflict at any given point of time with those of the Commonwealth. I remember a somewhat similar case in New South Wales, in which two members of the local Legislature, who are now Justices of the High Court, were involved. They had accepted retainers against the Railway Commissioners of New South Wales, and the New South Wales Legislative Assembly censured them for doing so in the severest terms that it could use. As a consequence, they resigned Ministerial positions to save the Government to which they belonged. This is a somewhat similar question. I submit that the Attorney-General ought to be able to tell the House that he is absolutely free and untrammelled in his office—which I venture to say he will have some difficulty in doing in view of the facts as we know them—or he should no longer retain his position as supreme guardian of the rights of the Commonwealth against the States. I have no word to say of the honorable and learned gentleman in his private relations. He is as free as any other member of the Chamber to conduct his private business in his own way, and no one has a right to cavil at him for pursuing his private avocations so long as they do not conflict with his public duties. In this case he appears to be exercising a dual function for two public bodies, the Parliament of a State, and the Parliament of the Common-

wealth, and he cannot serve them both with independence and without limitations. I do not impugn his honour in any way. My own impression is that he is committing an error of judgment in accepting these retainers. I understand that he has not accepted a retainer since he assumed the position of Attorney-General. The newspaper statement is to the effect that his retainer will expire in a few days.

Mr. HENRY WILLIS.—Has he not already relinquished his retainer?

Mr. JOSEPH COOK.—Not that I am aware of.

Mr. DEAKIN.—Why should he?

Mr. JOSEPH COOK.—If that is the view entertained by the Prime Minister, I shall be glad to hear the reasons which he has to assign for it. I say that where the States are guaranteed such large powers of control in respect of the rivers of the Commonwealth, and where the Federal jurisdiction may, at any moment, clash with the State jurisdiction, the Attorney-General ought to be free from any State engagements in dealing with the question from a purely Federal stand-point. He cannot be said to be free so long as he is in the pay of a State Government.

Mr. HUTCHISON.—The honorable member did not discover that fact when Senator Sir Josiah Symon filled the office of Attorney-General.

Mr. JOSEPH COOK.—What has that circumstance to do with the matter? The facts were only published in the newspapers last week.

Mr. DEAKIN.—They have been known for months.

Mr. JOSEPH COOK.—I assure honorable members that the statement which I saw in the newspapers last week was the first intimation that I had of the facts, and I do not hesitate to say that if I had known that Senator Sir Josiah Symon, when Attorney-General, had been retained by the South Australian Government in such a matter, I should have instantly brought it under the notice of the House. If the honorable member for Hindmarsh and the Prime Minister have been cognizant of the facts they have failed in their duty by neglecting to bring them immediately before this Chamber.

Mr. THOMAS.—Surely the right honorable member for East Sydney could not have failed in his duty. He knew the circumstances of the case when he was Prime Minister.

Mr. JOSEPH COOK.—May I say to the honorable member that I do not know what the right honorable member would or would not do. In this matter, fortunately, I am not like the honorable member for the Barrier. I have not to consult the caucus before coming here. The moment that I saw this announcement in the newspapers I decided to bring the facts before the House, and, in the discharge of what I conceive to be an obligation upon my part, I am making these remarks. I should be very glad indeed to hear the Attorney-General's statement upon this matter. If he can show that there is no possibility of a conflict arising between his duty to the South Australian Government—a duty for which he is being paid—and his duty as the defender and guardian of the judicial power of the Commonwealth. I shall have no more to say upon this subject. In my judgment, however, he cannot simultaneously accept payment from a State Government and from the Federal authorities, and still retain his independence absolutely. I understand that the honorable and learned gentleman is being instructed in this matter by the honorable and learned member for Angas. It is not difficult to imagine the Attorney-General having this same matter presented to him subsequently by our own Solicitor-General, and I venture to say that, on the presentation of the case by the honorable and learned member for Angas, and its presentation by the Solicitor-General of the Commonwealth, a very different opinion might be pronounced. That is the fact which we have to face. After being advised by the honorable and learned member for Angas, and after having furnished an opinion to the South Australian Government upon this matter, the identical question may again come before the Attorney-General on the presentation of a case by the Solicitor-General of the Commonwealth, and the honorable and learned gentleman will then be confronted with the statement which he has previously made to the South Australian Government, and for which he has received their pay. I say that the Attorney-General is paid a salary by the Commonwealth for the especial purpose of keeping him free and untrammelled from retainers from any other quarter. I submit that, so long as he holds his position as Attorney-General, he has no right to be in the pay of any State Government, or to give them any legal opinions whatever.

Mr. POYNTON.—The honorable member's remarks are very severe upon Senator Sir Josiah Symon.

Mr. JOSEPH COOK.—I cannot help who they are severe upon. I regret it if they are. The honorable member might be at a little less trouble concerning Senator Sir Josiah Symon. This is not a question as to who is affected. I believe that a great principle is at stake in this seemingly simple matter, and, believing that, I take this opportunity of bringing it before the House at the earliest possible moment. I understand that the Prime Minister knows all about the case. At any rate, from his interjection, I opine that he is entirely in accord with the Attorney-General in this matter, and sees no reason why that honorable and learned gentleman should separate himself from the South Australian Government. In other words, he sees no reason why the Attorney-General should not occupy the dual position of adviser to the South Australian and the Federal Governments upon a matter which at any moment may bring his duties as between that State and the Commonwealth into conflict. In bringing this question under the notice of honorable members, I feel that I am discharging a simple duty—a duty in the interests of the purity of the administration of the judicial powers of the Commonwealth. I hope that we in this House shall always be sensitive upon matters which relate to the purity of the administration of justice. I wish that the Attorney-General himself had been present, and I shall be glad indeed to hear what he has to say upon this important matter. I should be pleased to learn that he has decided not to accept any other retainer from the South Australian Government. If that were the case, I should have no more to say upon the subject. The retainer which he at present enjoys is, I understand, just about to run out, and if he declares that he will accept no further retainer from that Government I shall be satisfied. It seems that he accepted this retainer before he became Attorney-General.

Mr. HENRY WILLIS.—But he is still acting for the South Australian Government.

Mr. JOSEPH COOK.—My own impression is that the moment he became Attorney-General he ought to have ceased to have the slightest connexion with the South Australian Government upon this matter. However, he has chosen to take another



course, and I can only leave the matter to the judgment of the House.

Mr. DEAKIN (Ballarat — Minister of External Affairs).—My own knowledge of this matter is not absolutely complete, but I suppose that, like the bulk of newspaper readers, I have been acquainted for more than a year with the fact that Senator Sir Josiah Symon and the honorable and learned member for Angas, as well as my learned colleague, have been retained by the South Australian Government in connexion with the claim of that State to the use of the Murray waters. Of course, my honorable friend, the deputy-leader of the Opposition, is not to be censured for using terms, in the course of his argument, which occasionally apply to a case at law, which occasionally apply to the offering of an opinion, which sometimes apply to the action of the Attorney-General as Attorney-General, and at other times to him as a member of this House who happens to practise at the Bar. I do not pause to disentangle these matters, although they are capable of conveying false impressions, unless they are discriminated. The retainer from the South Australian Government, I understand, was not given to the Attorney-General as a preliminary to any judicial proceeding. No judicial proceeding has commenced, and no judicial proceeding need follow. That retainer is one to furnish an opinion to the State of South Australia in relation to its claims to the waters of the Murray as against the States of New South Wales and Victoria.

Mr. JOSEPH COOK.—That is a question in which the Federal jurisdiction may be involved at any moment.

Mr. DEAKIN.—I will come to that matter in an instant. In the first place, these retainers were given, I think, before Senator Sir Josiah Symon accepted office. I do not think that they were granted during the time that he held office as Attorney-General.

Mr. McWILLIAMS.—He should have retired too.

Mr. DEAKIN.—Perhaps those who do not clearly understand what is the nature of the facts or the duty to be performed should not be so ready to pass judgment. They would not venture to do so if they were summoned to act as jurors, and were called upon to decide as to the life or reputation of a fellow citizen. Because they are members of

Parliament they are not relieved of their obligations in relation to another member of Parliament, even if they are politically opposed to him. Before passing judgment they ought at least to know the facts.

Mr. JOSEPH COOK.—No one has impugned the honour of the Attorney-General.

Mr. DEAKIN.—Then what do the remarks of the honorable member mean? I communicated with the Attorney-General the moment the honorable member for Parramatta rose to address the Committee, and informed him of the fact that this matter was about to be brought forward. He stated in reply that he would be here as soon as the engagement upon which he had entered would permit. I would point out that the three learned members to whom I have referred are engaged in framing an opinion upon behalf of a State with regard to its riparian rights as contrasted with the rights of other States. I only know in a general way to what that opinion relates. It may be framed in such a way as to render any consideration of the relations of the Commonwealth to the States almost impossible. It may be framed in such a way as to render a consideration of Commonwealth rights highly improbable, or it may be framed in such a way as to involve them. But the fact remains—a fact to which I should not have called attention had it not been already referred to—that the Attorney-General of the late Government during the whole period that he occupied that office, remained one of the advisers of the South Australian Government on this matter without recognising that, in so doing, he was guilty of any dereliction of duty.

Mr. HENRY WILLIS. — He should have resigned. If Parliament had been sitting he would have been compelled to do so.

Mr. DEAKIN.—As I have already said, I deprecate the judgment of the honorable member upon the late Attorney-General as not being justified by the knowledge which he possesses. If an opinion is asked upon a question of riparian rights—

Mr. JOSEPH COOK.—I have passed no judgment.

Mr. DEAKIN.—But judgment has been passed by those all round the honorable member. If an opinion has been asked by the South Australian Government, not in relation to any case, but merely as a piece of legal advice, it need not involve any consideration of the rights of the Commonwealth, and if it does not, nobody can

suggest that any of these three honorable gentlemen have taken a course which is not perfectly open to all of us. The honorable member for Parramatta is not capable of deciding. I am not capable of deciding, nor is any one, except the three gentlemen themselves. I am perfectly sure that if the present Attorney-General or the late occupant of that office had found in the course of giving an opinion to the South Australian Government that they were in any way hampering their absolute freedom of action in regard to the Commonwealth they would at once have ceased to advise that State or to hold a retainer upon its behalf.

Mr. HUTCHISON.—It would have been a different thing if they had accepted a brief.

Mr. DEAKIN.—Exactly. But whether such a point has arisen we cannot decide. The question of Commonwealth rights may never be raised, and under such circumstances it would be preposterous to say that, in a dispute between different States, any honorable member is not justified in advising a State Government upon its rights just as much as he is warranted in advising a private client upon a private question. The only objection that can be urged by any honorable member who criticises their action is that possibly in some unknown way the rights of the Commonwealth may be prejudicially involved, and that the Attorney-General may then conceivably be prevented from taking that complete view of Commonwealth interests which he otherwise would do. I have not the slightest hesitation in saying that under such circumstances both the present Attorney-General and the late Attorney-General would at once have placed their duty to the Commonwealth before that of any client, even if that client happened to be a State Government. In these circumstances the matter requires no argument upon my part. Every member of this House, except one or two, must have been aware that the gentlemen to whom I have referred were being consulted upon a matter of opinion—upon a very difficult question, and one involving a great many considerations of a strictly legal character—questions as between the States which require solution. Until it is shown in some way that the public duty of these honorable members or any one of them clashes with his professional duty to his client, this debate is quite beside the mark. When that posi-

tion arises it will not be necessary for anybody to call attention to it.

Mr. McWILLIAMS.—But if it did arise would it be advisable for the Attorney-General to be mixed up in it?

Mr. DEAKIN.—It would be perfectly immaterial. He is merely asked to give an opinion. If he finds that he is called upon to deal with the rights of the Commonwealth it will be an easy matter for him to refrain from offering that opinion.

Mr. JOSEPH COOK.—An opinion which he is paid to give?

Mr. DEAKIN.—He accepted this retainer long before he became Attorney-General. How can this House discuss the question on the simple assumption that, because the rights of certain States are in dispute as between themselves, the rights of the Commonwealth are necessarily involved? No one can say that, and until it can be said there can be no foundation for the argument that the rights of the Commonwealth are in any way involved. If the position of the Commonwealth is not affected, this discussion has no meaning, and can have no issue.

Mr. KELLY.—Is not the action of the Attorney-General tantamount to the acceptance of an office of profit under the Crown?

Mr. DEAKIN. — When any conflict does arise, we can rely on the Attorney-General, or any other honorable member who is placed in a like position, dealing with it.

Mr. JOSEPH COOK.—It will then be too late to deal with it.

Mr. DEAKIN.—It is absurd to say that. It is not a judicial proceeding of which complaint is made, but the giving of an opinion, and it is open to the Attorney-General to stop at any point he pleases. He may not believe that a Commonwealth issue will arise, and such an issue may never be raised. The whole matter is merely one of speculation. It would be absurd to call upon the Attorney-General to do, because of his office, what the late Attorney-General did not feel called upon to do; both have as keen a sense of honour as any members of the profession.

Mr. WILKS (Dalley).—We have just listened to an appeal made by one member of the legal profession in defence of another, but I hold that the honorable member for Parramatta has performed a patriotic duty in bringing this matter before the

House. I would inform those who have suggested that the leader of the Opposition, while holding office, once acted in a case against the State Government, that he did not do anything of the kind. When he held the brief, to which reference has been made, he was not even a member of the Government. As a matter of fact, he refused to accept a retainer against the Railway Department, holding that, as a public man, his hands would be tied if he were to do so. As to the charge which has been made by the honorable member for Parramatta, are we to understand that because a distinguished lawyer occupies a distinguished office in the Government we are to consider that the allowance attaching to that office is not sufficiently lucrative, and that he is to be at liberty to accept briefs in cases against the Commonwealth.

Mr. HUTCHISON.—No retainer was involved in the case in point.

Mr. WILKS.—I contend that a public man's first duty is to his country. I am astounded that the Labour Party should defend the action of a distinguished lawyer who, while acting as Attorney-General of the Commonwealth, is prepared to advise a State in a matter involving Commonwealth issues. The Prime Minister said that the mere giving of an opinion was a different matter altogether from the acceptance of a brief against the Commonwealth; but I would point out that the opinion in question may lead the State to take action against the Commonwealth. In that event the Attorney-General would have to advise the Commonwealth Government to adopt a certain course. The experience of all Parliaments is opposed to the action taken by the Attorney-General. The late Sir Henry Parkes laid it down, in connexion with a similar case that arose in the Parliament of New South Wales, that an honorable member's first concern should be to see to the right government of the country, and that a member of the legal profession, while acting as Attorney-General or Solicitor-General in a State Government should not take part in any proceedings that might ultimately involve the Crown. The Attorney-General and the Solicitor-General of Great Britain are not even members of the Cabinet, yet they never think of accepting briefs in cases against the Crown. I do not take the view of the honorable member for Parramatta as to the position of the honorable and learned member for Angas. I believe that

he is only in a degree less blameworthy than is the Attorney-General. He has given an opinion regarding the position of South Australia in a certain matter, and when that question comes before the Parliament he will be unable to deal with it as a representative of the people. If the position of Attorney-General is not sufficiently lucrative the honorable and learned member for Indi should resign it; if, on the other hand, it is, he should refuse to accept a retainer in any case against the Crown, and should decline to act in such a case even when, as a private member, he had accepted a retainer. The Attorney-General may be called upon at any time to act in defence of the Government, or of any of the Departments of the Commonwealth, and his professional interests must not be allowed to clash with the discharge of his public duties. Why should an honorable member, simply because he is a prominent member of the legal profession, be allowed in the morning to advise a private client contemplating proceedings against the Crown, and in the afternoon to attend in this House and contend that a certain course of action should be taken relating to those proceedings? If honorable members are anxious to secure large incomes, they should resign on finding that their public duties interfere with the carrying out of that desire. It may be said that if that course of action were insisted upon, we should have but few lawyers of distinction in the House; but even if that were the result, the Commonwealth would not suffer great loss. I am satisfied, however, that members of the legal profession are as anxious to serve the public as are any other members of the community, and are prepared to make sacrifices in order to gratify their desire. Although it has been pleaded that the Attorney-General has done no more than give a certain opinion to the Government of South Australia, it must be recognised that that opinion may induce the State to take action against the Commonwealth. In that event, the Attorney-General would have to defend the Commonwealth, and would find himself in a curious position. I trust that the Labour Party will accept my assurance that the leader of the Opposition has always refused to appear in cases involving the interests of the Government.

Mr. PAGE.—The interests of the Commonwealth are not involved in the case in point.

Mr. WILKS.—They certainly are. The question of the navigability of the Murray may arise at any time, and in that event the Commonwealth would be at once involved in any proceedings by one State against another. We might have to take a stand in the interests of Victoria and New South Wales as against South Australia. The Attorney-General of South Australia has said distinctly that he desires to bring a case before the High Court to determine questions affecting the waters of the Murray, and no doubt he will institute proceedings at no distant date. In that event, South Australia will defend what it believes to be its rights, as defined by the honorable and learned member for Angas, the Attorney-General, and the late Attorney-General of the Commonwealth.

Mr. PAGE.—I see nothing criminal in that.

Mr. WILKS.—I remember a time when the Labour Party had no very friendly feeling for the lawyers, but it appears that they have developed a desire to pose as the defenders of members of the legal profession in this House. We are not asking that the Attorney-General shall sacrifice his private practice while in office, but merely that he shall not act in any case that may involve Commonwealth issues. I heard of his position in this matter for the first time this morning, and although I spoke to eight or nine honorable members about it, I found that it had not previously come under their notice. We are assured, however, by the Prime Minister, that he knew of the position occupied by the honorable and learned member for Indi at least twelve months ago. All I can say is that we have brought the case before the House at the first opportunity, and have discharged what we conceive to be the true duty of an Opposition. Surely this is not a mad rush for the shekels on the part of the Attorney-General? Surely he is not so strongly imbued with the desire to accumulate wealth that he is prepared on the one hand to be paid by the Commonwealth for the discharge of certain public duties, and on the other, to accept fees for giving opinions relating to a case that may involve Commonwealth issues. I have yet to learn that the private interests of an honorable member are to be considered paramount to his public duties.

Sir WILLIAM LYNE (Hume—Minister of Trade and Customs).—Honorable members of the Opposition appear to have for-

gotten an incident which took place in New South Wales, when the then Premier of the State acted for a ship-owner against the Newcastle Marine Board.

Mr. JOSEPH COOK.—He did not.

Sir WILLIAM LYNE.—It is useless for the honorable member to deny my statement, because the matter was discussed in the State Parliament. I should not have referred to it, but that the name of the right honorable gentleman in question has been mentioned during this debate. It has been said that he would not be guilty of such an action as that for which the Attorney-General has been blamed, but I know that his connexion with the Newcastle case was considered by some honorable members to be improper.

Mr. JOSEPH COOK.—The honorable gentleman was amongst the number.

Sir WILLIAM LYNE.—Probably I was, but I do not think I said a word against him at the time.

Mr. WILKS.—He threw up his brief.

Sir WILLIAM LYNE.—No. He appeared in Court, and it was in this way that the matter came under the notice of the State Parliament.

Mr. WILKS.—Even if he did, that does not justify the action of the Attorney-General in this case.

Sir WILLIAM LYNE.—Certainly not. But I fail to see why it should be said or inferred that the leader of the Opposition would not do such a thing as the Attorney-General and the late Attorney-General have done.

Mr. THOMAS.—The case in which the right honorable member for East Sydney appeared for a ship-owner was a very small one; it was only a two-guinea job.

Sir WILLIAM LYNE.—It was more than that. He appeared for a ship-owner in proceedings against the Newcastle Marine Board; and the point was raised that that Board was really in the same position as the Railways Commissioners of the State, and was part and parcel of the Government of New South Wales.

Mr. McWILLIAMS.—He should have stood out of it.

Mr. WILKS.—Has the Attorney-General acted rightly?

Sir WILLIAM LYNE.—I think that he has acted rightly in that, as the Prime Minister has said, he need not, even at the last moment, do anything likely to clash with the interests of the Commonwealth. The question of navigation is the

only one affecting the waters of the Murray that could give rise to issues affecting the Commonwealth.

Mr. JOSEPH COOK.—The fact is that the Attorney-General is under contract to the Federation, as well as to the State of South Australia.

Sir WILLIAM LYNE.—Only in the matter of giving opinions. Even if he gave an opinion against the Commonwealth, it would not be compulsory for him to take any action inimical to the interests of the Commonwealth.

Mr. JOSEPH COOK.—Does not the honorable gentleman know that the Attorney-General has been retained to accept a brief for the South Australian Government?

Sir WILLIAM LYNE.—No. All that I know is that he has been retained to give a legal opinion. It is a singular thing that the honorable member for Parramatta did not raise any objection when the late Attorney-General adopted the same course. So far as I can see, no harm can result from the action taken by the honorable and learned member for Indi. The Opposition attack the Attorney-General, forgetting that the right honorable member for East Sydney, whilst Premier of New South Wales, actually appeared in an action against the State.

Mr. HIGGINS (Northern Melbourne).—I think that the honorable member for Parramatta has referred to a very important principle which cannot be too carefully observed; but in this case the principle does not apply to the facts. It appears that before the Reid Government took office, Senator Symon, the Attorney-General, and the honorable member for Angas, were retained by the South Australian Government, and were also asked to furnish them with an opinion upon the Murray waters question. Nothing has been done by way of legal proceedings, but counsel have merely been asked to give their opinion. I understand that that opinion was prepared before the present Attorney-General took office.

Mr. WILKS.—It is not completed yet.

Mr. HIGGINS.—It is not in writing, but I understand that for the last two months counsel have experienced difficulty in meeting to finally settle and commit their opinion to writing. Practically the whole of the work was done before the present Attorney-General took office. Honorable members may hardly know the practice, but I have no doubt that as soon as the Attor-

ney-General finds that there is the least conflict between the interests of the Federal power and those of the State of South Australia he will stop. That is our practice.

Mr. JOSEPH COOK.—I say that it ought not to be left to the judgment of the Attorney-General.

Mr. HIGGINS.—We must leave such matters to the judgment of an honorable man.

Mr. JOSEPH COOK.—Not at all.

Mr. HIGGINS.—At all events, I prefer to trust the experience and honour of the Attorney-General, who knows the facts, rather than the experience and honour of men who are not acquainted with the circumstances. I appreciate the jealousy of the honorable member for Parramatta in these matters.

Mr. DEAKIN.—We all share it.

Mr. HIGGINS.—And so do other honorable members, and we are glad to have the rule enforced. I do not believe, however, in raising such principles unless they apply to the facts. We have to remember that nothing was done in this case by way of legal proceedings, either before or since the present Government took office. Nothing has been done even in the way of writing an opinion, but the Attorney-General is perfectly entitled to write his opinion if he thinks fit. It is strictly allowable for counsel to give an opinion to one person and afterwards to be retained by another person. At the same time, so far as my experience has gone, counsel do not proceed that far. At one time, when I was a member of the Victorian Parliament, the proprietor of a certain industry consulted me, and I advised him. I afterwards found that the matter was to be brought before the Victorian Parliament, and I said, "I am your adviser, and I cannot speak or vote in Parliament upon that question." That is the action we take as a matter of course, without being told that we are making our private interests conflict with our public duties.

Mr. WILKS.—The honorable and learned member disfranchised his electors in that case.

Mr. HIGGINS.—Yes, but I was not aware at the time that I began to advise the gentleman referred to that his case would come before Parliament. I agree thoroughly with the honorable member for Parramatta, that if public duties conflict with private duties the former should be

regarded as supreme. If censure can be appropriately applied to the Attorney-General, it can with equal force be directed to the honorable and learned member for Angas. He has a duty to honorable members of this House, and he has acted perfectly in accordance with the dictates of principle. Honorable members have no right to make a dig at the Government in this case. I am confident that if the Attorney-General finds that there is any conflict between his duty to the South Australian Government and to the Federal power, he will stop dead and say, "I shall deal no more with South Australia." Questions constantly arise which call upon counsel to decide which of two conflicting retainers they shall accept, and the ordinary course is to accept the first one. In the case, however, of conflict between public duty and private duty, the former must, as I have said, be supreme.

Mr. HENRY WILLIS (Robertson).—I think that the honorable member for Parramatta should be complimented upon bringing this matter forward, because it is one of the greatest importance. I am convinced, from the remarks of the Prime Minister, that he regards the situation as very serious. The honorable and learned member for Northern Melbourne stated that the position of the honorable and learned member for Angas was analogous to that of the Attorney-General, but I cannot agree with him, because the honorable and learned member for Angas is in the position of a solicitor acting for the South Australian Government, and stating a case to counsel for their opinion. Counsel have been retained for several months to give an opinion upon a question involving the interests of several States, and in which the Federal Government may have to interfere. The South Australian Government could not act on the opinion of counsel unless such counsel prepared a case prior to the institution of a suit. If the counsel at present retained were to resign their positions as advisers, no case could be filed. The Attorney-General says that he will continue to act under his retainer for several months to come. The honorable and learned member for Northern Melbourne said something with regard to the responsibility of counsel, but they have no responsibility. They act for fees, for the recovery of which they cannot sue.

Mr. HIGGINS.—They can in Victoria.

Mr. HENRY WILLIS.—In New South Wales counsel cannot sue for the recovery

of their retainers. The Attorney-General says that he will earn the retainer, to which he will not be entitled until the full period covered by it has expired. He is acting for one of the States against other States in the matter of a distinctly Federal character, in which the Commonwealth authorities may be involved at any moment. He may, therefore, be called upon to act for the Commonwealth as well. It has been laid down by that great constitutional authority, Sir Henry Parkes, that such a state of affairs should not exist in Australia. Justice Sir Edmund Barton and Mr. Justice O'Connor had to resign their Ministerial offices owing to their having accepted retainers in actions which were being brought against a State Government. We are on the eve of a crisis. Either the Attorney-General must resign from the Ministry, or the Ministry should go down. The members of the Opposition have a very serious responsibility cast upon them, namely, to direct a motion of censure against the present Government. We must bring the Attorney-General to his feet on the floor of the House immediately, in order that he may make an explanation. The Minister has, however, said that he will put off his explanation until he has fulfilled a minor engagement in one of the Courts. This is flaunting the House. The Government would be treated very generously if they showed proper consideration to honorable members. Members sitting on this side of the House are perfectly free to support non-contentious measures, and they could render the Government independent of any clique or section of their own supporters. The Attorney-General, instead of fulfilling his duty to the whole Commonwealth and paying proper deference to this Parliament, the supreme Court of Australia, has stated that he will fulfil a minor engagement in possibly a lower Court in the State of Victoria before he meets us to answer a grave charge. The question involved is one which has caused the resignations of members in times gone by. We are told by members of the Labour Party that because Senator Symon, when Attorney-General, held a retainer, the present Attorney-General is equally entitled to do so. I venture to say that if honorable members on this side of the House had been aware of the position occupied by Senator Symon at the time that he was a member of the Reid Government they would have taken action similar to that adopted on the present occasion. The fact that Senator Sir Josiah Symon has

done wrong does not make the action of the Attorney-General right. The Minister of Trade and Customs positively admitted that the Attorney-General had accepted a brief, and he justified that acceptance because he said that a similar thing has been done in one of the States.

Mr. ROBINSON.—But he disapproved of it.

Mr. HENRY WILLIS.—Yes; he expressed disapproval of it in the local Parliament. Therefore the Government are condemned on their own admissions. I hope that the acting leader of the Opposition will take another course, and communicate with the leader of the Opposition, so that we may have the matter thrashed out, and the Attorney-General compelled to give a satisfactory explanation to the citizens of Australia. If such an explanation is not given, either he or the present Administration must go. That this House should be sent to the country is of very little importance compared with a matter of vital constitutional consequence such as we are now discussing. I hope that the leader of the Opposition will act definitely and firmly in this matter.

Mr. McWILLIAMS (Franklin).—I cannot be accused of personal feeling in this matter. It is only to-day that I learned of the positions which the late Attorney-General and the present Attorney-General occupy, and I make no distinction between them in regard to this case. It would have been infinitely better if Senator Sir Josiah Symon had retired from the case when accepting office as Attorney-General in the late Administration, and the honorable and learned member for Indi should, before becoming Attorney-General, have immediately freed himself from any legal entanglements which might afterwards make his position a difficult one. The Prime Minister censured honorable members on this side of the Chamber for taking up a case of which, he said, they knew nothing; but, after telling us that it was perfectly right for the Attorney-General to act as he is doing, he admitted that he knew nothing whatever of the case. The Attorney-General should be in his place to reply to the charge which has been made against him. As a member of a State Parliament, and as a member of the Commonwealth Parliament, I have objected to the legal members of a Government assuming a position different from that of non-legal members. Ever since I have been in this House I have

seen that the legal members of Governments neglect their Ministerial and Parliamentary duties for their private business, and I understand that the honorable and learned member for Indi is not here to-day to reply to the charge which has been made against him, because he is conducting a private case in one of the minor courts of the State. When a legal gentleman accepts the office of law adviser to the Commonwealth of Australia, he should not allow his private business to interfere with the performance of his public duties to the extent to which some of our Attorneys-General have done. If there is one question which, more than another, is likely to bring the Commonwealth into conflict with the States, it is that affecting the control of the waters of the Murray River. More feeling has been created in connexion with that question amongst the people of the three States concerned than in connexion with any other public question that has arisen in Australia, and it is generally believed that one of the first contests between the Commonwealth and the States will arise in connexion therewith. The control of the navigation and the preservation of means of commerce on the Murray River is absolutely vested in the Commonwealth. South Australia's claim affects the control of the navigation of the Murray, and it will be almost impossible for the subject to be thrashed out to the bitter end without the Commonwealth being brought in. I therefore ask the Attorney-General to consider whether it would not be infinitely better for his own sake that he should be quite free from any entanglements created by the acceptance of a retainer from the State of South Australia. I should not have had any objection to his completing the work which he had in hand at the time of his acceptance of office, and to his placing before his employers the opinion for which he has been paid. But he should then have retired from his position as legal adviser of South Australia on all questions in regard to which the State and the Commonwealth may some day be in conflict. The less legal members of the House mix themselves up in questions which may afterwards cause conflict between the Commonwealth and the States the better it will be for the interests of the Commonwealth and for their own interests. I am not going to say a harsh word about the Attorney-General. If he had been a private friend of mine, and I had known that he was interested in this

case, I should have used all the personal influence I possessed to induce him to retire from his entanglement, with the South Australian Government, and I hope that his good sense will yet lead him to do what he should have done immediately he accepted office as Attorney-General.

Mr. HENRY WILLIS.—He must do it. The country will not stand this kind of thing.

Mr. McWILLIAMS.—If the facts of this case had been known a few months ago, and the late Attorney-General had been charged—

Mr. PAGE.—The Prime Minister showed that the late Attorney-General is just as guilty as the present Attorney-General.

Mr. WILKS.—Then the honorable member and his party should have charged him with the offence.

Mr. PAGE.—We put him out of office directly we had the opportunity.

Mr. McWILLIAMS. — No one would have been more indignant, or would have said more about the injury likely to result to the public interest from the present state of things, than would honorable members who are now trying to turn this matter into ridicule, supposing the facts had been made known when the late Attorney-General held office.

Mr. THOMAS.—We would have supported the Opposition if they had raised this objection in regard to Senator Sir Josiah Symon's occupancy of the Attorney-Generalship.

Mr. McWILLIAMS.—I have always understood that the honorable member's political standards are not very high, but if he publicly admits that he would have hounded down one man for doing that which he is prepared to defend in another, because the one was in opposition to him while the other is acting at his dictation, I make him a present of his morality. I hope that we shall not have much conduct like that in this House. The matter deserves serious consideration, and I hope that in the interests of good government the Attorney-General will retire from such professional engagements as may bring his duties to his clients into conflict with his duties as watch-dog of the rights of the Commonwealth.

Mr. FISHER.—Every one agrees as to that.

Mr. McWILLIAMS.—Every one does not agree as to that. Lawyer after lawyer has told us that the Attorney-General is doing what is perfectly right, although

they are not acquainted with all the circumstances of the case.

Mr. FISHER.—He should not accept briefs the holding of which conflict with the performance of his duties as Attorney-General.

Mr. McWILLIAMS.—The Commonwealth will almost certainly be dragged into litigation in regard to the control of the navigation of the Murray, and all Attorneys-General should refuse to act as private advisers in cases in which they may have to act in a public capacity. I am sure that the deputy leader of the Labour Party must see that that position is the correct one. No Minister should, for his personal ends, perform duties which may be in conflict with his public duties. It is certain that, sooner or later, the Commonwealth will be involved in regard to the control of the navigation and preservation of the waters of the Murray, the question upon which the Attorney-General has given an opinion to the State of South Australia. I hope that honorable members generally will give the matter more serious consideration than some of them seem inclined to give to it, because, if ever the Commonwealth comes into conflict with the States, it will be very disadvantageous to us if the Attorney-General of the day—Whether Senator Sir Josiah Symon, the honorable and learned member for Indi, or any one else—has been acting on behalf of a State instead of on behalf of the Commonwealth, whose paid servant he is.

Mr. CONROY (Werriwa).—The point raised by the honorable member for Parramatta is a perfectly plain one, though it is questionable whether it applies to the present state of affairs. He contends that it is inadvisable for an Attorney-General to act on behalf of any State or person when the opinion given in that relation may be brought into conflict with the opinion he may have to give to the Commonwealth on some future occasion.

Mr. JOSEPH COOK.—I say not merely that it is inadvisable, but that it is grossly wrong.

Mr. CONROY.—If at the time he undertook work for the State of South Australia the honorable and learned member for Indi knew that it would conflict with the performance of his duties as Attorney-General, the strictures which have been passed upon him would have been justified. What has happened is that he has been asked for his opinion. He has not been retained to fight for or against a



particular view, but to state exactly what his opinion is in regard to certain questions, and in arriving at an opinion he must act as judicially as he can.

Mr. WILKS.—The Prime Minister said that he need not give his opinion.

Mr. CONROY.—I think that what the Prime Minister meant was that an opinion has not been given in connexion with a judicial proceeding.

Mr. DEAKIN.—The Attorney-General has not given an opinion in connexion with any judicial proceeding.

Mr. JOSEPH COOK.—Judicial proceedings are evidently contemplated, because there is a proposed reference to the High Court.

Mr. CONROY.—The obtaining of legal opinions often prevents legal proceedings. A lawyer who is asked to state an opinion assumes, so far as he can, the functions of a Judge. He argues both sides of the question at issue, and endeavours to find out what opinion would be likely to be given by the Court before whom the question would be tried.

Mr. JOSEPH COOK.—We pay the Attorney-General not to be a Judge for the State of South Australia, but to look after our interests.

Mr. CONROY.—Does not the honorable member see that he is now raising another point? He surely does not wish to debar barristers who are members of Parliament from taking legal work. In a case of this kind a barrister acts practically as an arbitrator. The honorable and learned member for Angas has been referred to as the solicitor for South Australia; but I understand that he is really junior counsel in the matter. It has long been a practice, not only in the States, but in England, where a very high standard of action has been set up, that legal work of the kind under consideration is not within the ordinary scope of an advocate's duties. Before giving an opinion, counsel dissociates himself as much as possible from an advocate's methods, and assumes rather the judicial functions of an arbitrator. That is exactly the work which counsel is doing for the time being. I admit that in cases involving Commonwealth issues, if a member of this House who happens to be a barrister is called upon to give a legal opinion, it is desirable that he should refrain from doing so. But if a barrister refused to have anything to do with any case merely because somebody happened to mention it in Parliament, I do not know

where the members of the legal profession would land themselves. The real point is that there is a substantial difference between a member of this Parliament—who happens to be a barrister—accepting outside work, and the Attorney-General, acting as the chief legal adviser of the Commonwealth, taking similar work. It appears, however, that the Attorney-General accepted this retainer, went into the case very thoroughly, and gave his opinion upon it, many months before there was any prospect whatever of his assuming Ministerial office. I understand from at least one honorable member who is engaged in this case, that the three gentlemen who have been retained by the South Australian Government have practically agreed upon their opinion, and that the whole reason why any charge can be laid against the present Attorney-General is that they have not had sufficient time, apart from their parliamentary duties, to meet together and formally sign that opinion. Nevertheless, I think that the honorable member for Parramatta acted rightly in bringing the matter under the notice of the House, because the position of Attorney-General should be very jealously guarded. We should guard against our chief legal adviser becoming engaged in a case in which there might be a conflict between his duty to the Commonwealth and his duty as adviser to some other litigant. It seems to me, however, that the circumstances of this case are not such as to call for reprobation, unless we decide that no barrister who is a member of the Commonwealth Parliament should accept work of any kind whatever. I do not think that I need dwell any further upon the case. As far as I can see, no conflict of interests has arisen, and perhaps sufficient good has been accomplished by calling attention to the matter.

Mr. KELLY (Wentworth).—The honorable and learned member who has just resumed his seat, like other members of the legal profession, is very anxious that no bar should be placed by any action of this Committee in the way of their obtaining outside work. He stated that if the Attorney-General had known at the time he was asked for this opinion that the Commonwealth, in which he occupies so high a position, might in time be brought into conflict with that sovereign power which was seeking his advice, all the strictures which have been passed upon him for the action which he has taken would have been

thoroughly merited. That obviously refines his case down to a consideration of whether the Attorney-General did or did not know or think at the time he accepted his retainer that the Commonwealth would eventually be brought into conflict with the State of South Australia upon this matter.

Mr. KNOX.—No. The question is whether he thought that he would become Attorney-General.

Mr. KELLY.—At any rate, the honorable and learned gentleman has not yet offered an opinion, so that it is not too late for him to withdraw from his anomalous position. In view of the most valuable assistance to this debate which the presence of the Attorney-General might give—for he alone can tell us his opinion as to whether or not the Commonwealth will be likely to be brought into conflict with the State of South Australia—it is infinitely to be regretted that he has not seen fit to come within the precincts of the House to explain the exact position of this matter.

Mr. JOSEPH COOK.—Why should he do so? He is earning money.

Mr. KELLY.—I should be the last to suggest that the Attorney-General should take his place in this Chamber every afternoon of the week—I think that that would be too awful a sacrifice for him to make. But when the Committee are entering upon a debate of supreme constitutional importance, it is at least due to us that he should attend, and render all the help that he possibly can. Recently the House, and particularly the Opposition, have been subjected to a series of insults at the hands of the Government. Day after day we have seen the Chamber empty, whilst important public questions have been under discussion. That condition of affairs has been aggravated this afternoon by the absence of the Attorney-General. We are discussing his action, and under the circumstances it is only proper that he should be present to explain it. For that reason I suggest most respectfully to the Prime Minister that this debate should be adjourned until such time as it will be convenient for the Attorney-General to attend here for the purpose of rendering a true account of the circumstances under which he was asked to give this opinion, and of stating whether it will bind him in the future.

Mr. WILKS (Dalley).—The honorable member for Wentworth has suggested that the debate should be adjourned. I pro-

pose to put that request in the form of a definite proposal, and I therefore move—

That the proposed vote be reduced by £1.

I think that will bring the Attorney-General to the table. If ever a legislative body has been contemptuously treated upon a high constitutional question, certainly this Chamber has been so treated by the Attorney-General. The honorable and learned gentleman was apprised by the Opposition whip at one o'clock to-day of the intention of the honorable member for Parramatta to bring this matter forward, and, according to the Prime Minister, he was again notified when the deputy leader of the Opposition rose to speak. His reply was that he was engaged in Court practice. Surely that is evidence that a high and distinguished lawyer regards his private practice—his own interests—as of paramount importance. My proposal will test not only the feeling of the Committee, but also that of the Labour Party. For years past that party has been preaching the gospel of one man one billet; but to-day we find them defending the lawyers.

Mr. LONSDALE.—Everybody is becoming a lawyer nowadays.

Mr. WILKS.—According to the interjection of the honorable member, those who are not in favour of lawyers are fast becoming lawyers. As was stated by the honorable member for Parramatta, the course followed by the Attorney-General involves a principle which is dangerous to the credit of Governments, and perilous to the security of great public interests, and I cannot conceive of any House allowing this matter to pass in the way that it appears to be doing. To me it is apparent that the Opposition have been too easy-going in their attitude towards the present Government. As regards the position of the Attorney-General, his duty is clear; either he should resign his Ministerial office or relinquish his position as counsel for the South Australian Government. The dangers attaching to the dual position which he holds have already been emphasized. The Prime Minister has admitted that the honorable and learned gentleman enjoys a retainer to give an opinion to the South Australian Government. Should he refuse to do so, in the event of Commonwealth rights becoming involved, he will fail in his duty to his client. Surely the Prime Minister will not place the Attorney-General in that position? Because

the rights of the Commonwealth are endangered, is he not to act faithfully to the South Australian Government? If he does offer an opinion upon State rights, or upon the navigability of the River Murray — a matter in which South Australia is vitally interested, and in which the adjoining States are even more interested—we shall find his duties as counsel upon one side and as Attorney-General upon the other in conflict. Instead of being the custodian and guardian of our highest rights, he is treating us in a most contemptuous manner. Was any Chamber ever flouted more than this Chamber has been flouted by him? No more serious attack could be made upon any public man than has been made upon the Attorney-General this afternoon. Does he imagine that that attack is prompted by mere caprice or whim? I ask honorable members to note that, although lawyer after lawyer has been defending the Attorney-General, not one has excused the course which has been adopted by him. We find the legal fraternity true to their union rules. Every lawyer who has addressed the Committee has defended the Attorney-General, but not a single member has declared that the course which he adopted is a good one. The Vice-President of the Executive Council, the Minister of Trade and Customs, the honorable member for Riverina, and others, who were formerly members of the New South Wales Parliament, must have a vivid recollection of the great fight which was made in connexion with the Proudfoot case, in which two of the present Justices of the High Court were engaged. In this instance, the Attorney-General has been retained on behalf of the South Australian Government to give an opinion upon the Murray waters question. That Government desires to appeal to the High Court, which is composed of three Justices, two of whom were censured for having engaged in a similar practice.

Mr. CONROY.—But that was a case in which litigation had absolutely commenced.

Mr. WILKS.—Where is the difference between the two?

Mr. CONROY.—In one case, counsel was asked for an opinion; in the other, counsel appeared as an advocate.

Mr. WILKS.—The honorable and learned member for Werriwa says that in one instance there was litigation, whereas in the case under discussion there has been none. I fail to see where the distinction comes in. The South Australian Government has retained certain gentlemen, pre-

sumably because of their distinguished legal ability. The whole of these three gentlemen are members of the Commonwealth Parliament. When they furnish their opinion, the South Australian Government will act upon it. What is the use of a State incurring expense to obtain an opinion if it is not to be acted upon?

Mr. CONROY.—Legal opinions frequently prevent proceedings being taken.

Mr. WILKS.—From the newspapers we learn that the South Australian Government has been asked to decide whether they will refer the matter in dispute to the High Court or to the Privy Council. Apparently they are in favour of remitting it to the former tribunal. In these circumstances the Commonwealth will probably come into conflict with the Government of South Australia, and the Attorney-General, as principal law officer of the Crown, will not only have to advise what action shall be taken by us, but, as a representative of the people, will have to take part in any discussion that may arise in this Chamber in regard to the question. I hold that the honorable and learned member for Angas, in a less degree, has also committed an offence.

Mr. CONROY.—Does the honorable member mean to say that no barrister in the House should accept any brief whatever?

Mr. WILKS.—He should not accept a brief against the Crown.

Mr. CONROY.—But in this case the Attorney-General has not accepted a brief against the Commonwealth. It is simply a States matter.

Mr. WILKS.—The Attorney-General must decide once and for all whether he is to sacrifice his private practice or neglect his public duties. The honorable member for Parramatta has brought forward one of the strongest complaints that could be made against a Ministry, and, although it has been pleaded that the late Attorney-General when in office acted for the South Australian Government, I can only say that the then Opposition failed in their public duty by neglecting to bring his conduct before the House. As soon as I learned of the position of the Attorney-General in regard to this case I brought it under the notice of honorable members. When the action of two law officers of the Crown in New South Wales, in connexion with the Proudfoot case, was discussed in the State Parliament of New South Wales, it was condemned by the honorable member for

Riverina, although he said that he would not vote against the Government.

Mr. CHANTER.—The honorable member is entirely in error.

Mr. WILKS.—I shall be able to support my assertion by quoting *Hansard*.

Mr. CHANTER.—If the honorable member turns to *Hansard* he will find that he is mistaken.

Mr. WILKS.—I should not have submitted an amendment but for the flippant way in which the Prime Minister has dealt with our complaint. I shall test the Labour Party. If they believe in "one man one billet"—

Mr. WATKINS.—The honorable member should test his own party.

Mr. WILKS.—I refer to the position taken up by the Labour Party, because in the early stages of the debate they interjected most persistently in opposition to the opinions expressed by the Opposition. The honorable member for Barrier, and also the honorable member for Maranoa, said that if the action taken by the late Attorney-General had been brought before the House at the time they would have voted against the continuance of such a practice.

Mr. PAGE.—I said nothing of the sort.

Mr. WILKS.—I understood the honorable member to interject that he would have done so. Does he think the practice is a proper one?

Mr. PAGE.—I ask the honorable member to give notice of his question.

Mr. WILKS.—We shall test the question. Those who vote against the amendment will signify their approval of the practice, whilst those who vote for it will show that they consider that the members of the legal profession in the House should not allow their professional interests to clash with the discharge of their public duties. If ever a party has been treated with contempt the Opposition has been today. The Attorney-General's desire for the "shekels" is so strong that even to-day he is neglecting his public duty, and is earning a fee by appearing in one of the lower Courts. If honorable members support him on this occasion they can never complain if others adopt the practice which the Opposition have condemned.

Mr. KING O'MALLEY (Darwin).—I regret that so much purely artificial warmth should have been generated by honorable members opposite in dealing with this question. It seems to me that there was no necessity for the severe castigation to which

the Attorney-General has been subjected. The honorable and learned member for Indi was for several years Attorney-General in a Victorian State Government.

Mr. WILKS.—And the people of Victoria know him very well.

Mr. KING O'MALLEY.—Every one who is familiar with the history of Victorian politics knows that the honorable and learned member made great financial sacrifices in his desire to serve the people of this State.

Mr. LONSDALE.—I do not know that he made great sacrifices. The honorable member should tell us what they were.

Mr. KING O'MALLEY.—We know that he succeeded in passing some of the best measures that have ever been placed on the statute-book of Victoria to put down the ill practices of boodlery.

Mr. WILKS.—He has been after the boodle ever since.

Mr. KING O'MALLEY.—There is a vast difference between the position of the Attorney-General and that of counsel in the Proudfoot case, to which reference has been made by the honorable member for Dalley. The Attorney-General months ago accepted a retainer from the South Australian Government to give a certain opinion, and that opinion may be the means of obviating the threatened litigation.

Mr. LONSDALE.—It may have the opposite effect. The honorable member does not know what may be the result of it.

Mr. KING O'MALLEY.—The honorable member for New England is in the same position. It is unfortunate that so many honorable members should be so full of latent superstition, or something else, as to cause them without evidence to jump to certain conclusions. They are prepared to condemn others to the uttermost depths of Hades without any justification whatever. Whilst they attack the Attorney-General—

Mr. JOHNSON.—Why is he not here?

Mr. KING O'MALLEY.—Because he has to appear in a case in which he was retained probably months ago. If the honorable member had retained the Attorney-General before he took office to appear for him in a certain case, and he failed to carry out his agreement, what would he say?

Mr. JOHNSON.—Is the discharge of a private duty more important than the fulfilment of a public one?

Mr. KING O'MALLEY.—We must be reasonable. To attempt to reason with a man

who possesses no reason is like giving medicine to a dead rat. I do not wish to administer the medicine in this case, but if honorable members opposite are anxious for it they can have it from me. It is much to be regretted that honorable members of the Opposition should be constantly attacking the private characters of others in this House, who have made honorable reputations which will live when their antagonists are forgotten. In the Proudfoot case, two honorable gentlemen were retained to appear in Court against the Government. When the Attorney-General of the Commonwealth decides to appear in Court in an action against the Commonwealth Government it will be time enough to attack him, and I may say at once that in such an event I should not hesitate to condemn him.

Mr. JOHNSON.—That might happen just as readily as in the case now before the House has occurred.

Mr. KING O'MALLEY.—That is the position. The peach is blooming and rosy, but it may be rotten. Are honorable members to be expected to depend solely on the paltry starvation allowance they receive, and to refrain from doing any private business?

Mr. JOHNSON.—Does not the Attorney-General receive a very fair salary?

Mr. KING O'MALLEY.—Why is the leader of the Opposition absent—why is he in New South Wales to-day?

Mr. CHANTER.—He is away earning fees.

Mr. KING O'MALLEY.—Because he cannot afford to remain day after day in this House.

Mr. JOHNSON.—He is not Attorney-General.

Mr. KING O'MALLEY.—He is the leader of the Opposition.

Mr. JOHNSON.—But he is not in receipt of a salary as such. He simply has an allowance as a member of the Parliament.

Mr. KING O'MALLEY.—He is receiving £400 a year, just as I am. It is all very well for honorable members opposite to use a boomerang argument, but when they do they must expect it to recoil on them.

Mr. JOHNSON.—Every honorable member is expected to be in attendance.

Mr. KING O'MALLEY.—Just as honorable members of the Labour Party attend from day to day. It is a disgrace that the Commonwealth—which was shown by the Treasurer yesterday to be one of the rich-

est countries in the world—should keep 111 members in Parliament on starvation wages.

Mr. LONSDALE.—Why does not the honorable member and his party induce the Government to take steps to increase the allowance?

Mr. KING O'MALLEY.—We cannot force the Government to do anything of the kind. Is the Attorney-General to stand condemned because he is absent fulfilling an engagement which was entered into, perhaps, six months ago? The attacks that have been made upon him are unrighteous and unchristianlike. Is the House to be turned into a bear garden? Is it to become a pugilistic establishment, at which honorable members are to attend and slog each other? That is really what honorable members opposite have been attempting to do for the last month. The members of the Labour Party sitting here in the corner have lately been acting as umpires. The Opposition and the Government have been slogging each other, whilst we have been seeing fair play, and, lifting up the fallen ones, have placed them on their feet again. I shall vote against the amendment, and I call upon the honorable member for Wentworth to show his patriotism by moving that the allowance to honorable members be increased by £200 per annum. I trust that honorable members will pursue a more reasonable course, so that we may conclude the business which lies before us by the end of October.

Mr. LONSDALE (New England).—The question before us is not whether the Attorney-General should now be in attendance at the Law Courts or carry on a private practice, but whether he should be retained by the South Australian Government to advise them on a question in which the Commonwealth may become very deeply involved. He was perfectly entitled to accept his retainer at the time when he was merely a private member of this House; but in view of the fact that before his opinion was given, he became a member of a Ministry which has control over the rivers question, matters have become complicated. He has been retained by one of the parties interested in a question in which the interests of three or more States may conflict, and in which the Commonwealth may have to intervene. I contend that when he became Attorney-General, it was his duty to withdraw from his position as counsel for the South Australian Government as soon as the work upon which he was engaged was completed. There should

have been no need for the display of heat in this matter, but the House has been flouted by the Attorney-General. Information was conveyed to him that this matter was to be brought forward, and if he had attended this afternoon there is very little doubt that the whole question would have been settled in a few minutes. The Government, however, having a strong majority behind them, or, rather, having umpires who are prepared, even at the sacrifice of their own opinions, to help the side that is in, have no hesitation about dealing cavalierly with members of the Opposition.

Mr. WATKINS.—Why was not this question raised when Senator Sir Josiah Symon held the position of Attorney-General in the Reid Government?

Mr. LONSDALE.—Nothing was known about the matter. The only knowledge I had upon the subject was conveyed to me by the honorable and learned member for Angas, who told me that he was acting for the South Australian Government, and I was surprised afterwards to hear that Senator Sir Josiah Symon had anything to do with the matter whilst he was Attorney-General. If the then Opposition were aware of the facts at that time, they failed in their duty in not calling attention to them. The dual position occupied by the present Attorney-General should not be tolerated, and if this House has any respect for itself, or a proper conception of its dignity, it will insist upon the Attorney-General either resigning his position as counsel for the South Australian Government as soon as his present work is completed, or retiring from the Ministry. He cannot now be in a position to do justice to all parties in the event of the Commonwealth becoming involved. No man should stand as counsel for both sides, and no Court in the world would permit of that being done, and yet this, the highest Court in the land, intends to permit such a state of things. Honorable members opposite know that the present position is an improper one, and yet they do not dare to vote as their consciences direct them. I should not have said a word against the Attorney-General if he had attended in the House and stated that he must complete the work which he had begun, but that when it was finished, he would withdraw entirely from the position. I should have been perfectly satisfied with that explanation.

Mr. KELLY.—Has the Attorney-General been sent for?

Mr. LONSDALE.—I understand that word was sent to him that this matter was to be brought up. If he had even sent a letter explaining the circumstances, I should have been satisfied. However, he has not only abstained from attending in the House, but has given no reason for his continued absence. The Proudfoot case has been referred to, and I may mention that in connexion with that matter I took the same view that I am expressing to-day. When a member of Parliament accepts a position as a member of the Ministry, he should at once retire from every case in which the Government is likely to become interested. I shall certainly vote for the reduction of the vote, in order to show my sense of the treatment to which honorable members have been subjected.

Mr. CROUCH (Corio).—After the trivialities with which the Committee has been occupied this afternoon—

Mr. CONROY.—I would ask, Mr. Chairman, whether the honorable and learned member is in order in referring to any discussion as being made up of trivialities?

The CHAIRMAN.—The honorable and learned member is scarcely in order in using that term.

Mr. CROUCH.—If the honorable and learned member for Werriwa considers that I have been offensive to him personally, I cheerfully withdraw the remark so far as he is concerned. I think the time has arrived when we should deal with matters of national importance, and I therefore propose to direct attention to the case of the Drysdale Post-office. The honorable member for Wentworth has occupied a considerable time in discussing a matter regarding which he acknowledged his ignorance, and I think I shall be justified in speaking upon a subject with which I am thoroughly acquainted. Drysdale, which is the centre of a very large farming district in the constituency of Corio, is situated on the road to Queenscliff. It is one of the oldest settlements in Victoria, and principally on that account, has had to put up with a post-office which was built many years ago for the purposes of a private dwelling. The consequence is that the accommodation at present provided is entirely inadequate, and particularly unsuitable. Persons using the telephone inside the wooden building, can be distinctly heard by others standing on the footway, and recently a local clergyman said that he was able to hear tips for the Melbourne Cup being communicated by persons at Drys-

dale to their friends elsewhere. The present premises are being rented by the Postal Department, and in view of their utter unsuitability, the residents of Drysdale are highly indignant. I trust the Postmaster-General will endeavour to meet the desires of the residents. A stone building at present occupied by one of the banks would be suitable for the purposes of a post-office, and I believe the rental would not be very high. If that building cannot be secured, I hope the Postmaster-General will endeavour to provide other suitable accommodation. The late Postmaster-General of Victoria promised that a new post-office should be built.

Mr. TUDOR.—Was it in his electorate?

Mr. CROUCH.—No; but he was able to recognise the very proper demand that the residents were making, and a promise made by a State Postmaster-General should be kept by his successor, the Commonwealth Postmaster-General. The district is one of great importance, and we are not asking for the expenditure of a large sum of money. I also wish to direct the attention of the Postmaster-General to the need for placing a clock in the tower of the Geelong Post-office. The building was erected ten or twelve years ago, and four vacant spaces are left in the tower for the clock faces. These are at present boarded in, and are a standing disgrace to the town. There is a section in the Postal Act under which, if local subscriptions are raised for any purpose of this kind, the Postmaster-General is empowered to find the balance needed for the work; and I can make the proposal to the honorable gentleman that, if he will promise to place a clock in the Geelong Post-office tower, the local residents will subscribe £200 towards the cost.

Mr. KELLY.—What would the cost be?

Mr. CROUCH.—About £600. I understand that this will be the first occasion on which the section to which I refer has been given effect to. There are several other matters to which I should like to direct attention, but I feel that it would be unwise to ask too much on this occasion.

Mr. KELLY (Wentworth).—I am surprised that the honorable and learned member for Corio thinks that the Drysdale post-office is more worthy of the attention of the House than is the question whether the Attorney-General owes a certain debt of courtesy to the Chamber.

Mr. WILKS.—This is a lawyer's way of evading the question.

Mr. KELLY.—I understand that the honorable and learned member has tried to raise new issues—such as the advisability of importing a clock from England to place in the Geelong post-office tower, although, one might think, such a clock might easily be made in Australia, and the money kept in the country—in order to take our attention from the fact that the Attorney-General has accepted from the State of South Australia what practically amounts to an office of profit. For he has been asked to give an opinion on matters connected with the control of the navigation of the rivers of the Commonwealth; and he will be paid for that opinion in hard, solid coin of the realm. Honorable members of the legal profession always regard questions of fees as of the supremest importance. No one's opinion on a legal point is worth more than that of the Attorney-General; but, inasmuch as that honorable and learned gentleman is paid in solid cash for advising the Government of the Commonwealth on matters of law, it should not be possible, in the event of a conflict arising between the Commonwealth and South Australia, or any other State, for his opinion to be quoted against the Commonwealth. For him to occupy two positions in a matter of this kind is not in the best interests of the Commonwealth. It has been stated by the honorable member for New England, and not contradicted by Ministers, that the Attorney-General has been sent for to answer the grave charges which have been made against him, and there can be only two explanations of his refusal to come. Either he thinks it safer to stay away and refuse to answer the charge, or he is contemptuous of this House; and we should not stand such contempt or such evasion from any servant of the House. The Attorney-General is paid, as Attorney-General, a certain salary—and no one is better worth it than he—for the discharge of certain services to the Commonwealth, and when the House demands that he shall attend to explain his actions, he has no right to stay away.

Sir JOHN FORREST.—The House has not said that he shall attend.

Mr. KELLY.—The right honorable gentleman may not want him to attend, though I am surprised at that, because no one has stuck so devotedly to office, or more loyally to his party—his late party—than has the Treasurer.

Mr. WILKS.—No man sticks to office better.

Mr. KELLY.—Either the Attorney-General is flaunting this House, or he has no explanation to make; and it is our duty to keep the discussion going, to give him an opportunity to come here to make his excuses. The fact that he has lucrative employment elsewhere is no proper reason for his absence. I do not contend that he should be kept pinned to the Treasury bench, but when the House wants him, he should attend. The honorable member for Darwin told us that the principle of one man one billet is not intended to apply to members of Parliament, and we have known for a long time past that members of the Labour Party in New South Wales do not so apply it. They used to march under a banner inscribed "One man one job," and they still insist that humbler people shall do so. But personally they take as many jobs as they can lay their hands on.

Mr. CHANTER.—So do other honorable members.

Mr. KELLY.—Yes, but other members do not protest that no man should do more than one thing. Those who sit on the corner benches do not care twopence for their catch cries when their own private interests are affected; and they are ready to take two or more jobs if they can obtain increased emoluments, in which respect they are only human like the rest of us. But, as to their present attitude, is it to be expected that a party whose members are frantically anxious to become lawyers should be other than careful not to curtail—I shall not say the prerogatives—but the claims of the legal profession? In New South Wales, where there are so many Labour lawyers, there are unions which, though a short time ago immensely wealthy, are now very poor. Will the honorable member for Newcastle tell the House that a union in his district which had a great amount of money to its credit has now as much as it had before the Labour lawyers and the Arbitration Court simultaneously made their appearance?

Mr. WATKINS.—They have as much money as ever.

Mr. KELLY.—The labour lawyers, or the union?

Mr. WATKINS.—The union.

Mr. KELLY.—I think that if the honorable member consults the facts he will see that his statement is open to correction. Honorable members who sit on the corner

benches were at one time bittered to having lawyers in politics, position of responsibility; but I have begun to realize the important positions which they may some of the legal world; and, not with shortening procedure in the courts the benefit of the unions for which I fear, but for their own private advantage, hope to become lawyers and to under a self-created class prejudicial to the legal business of the Commonwealth.

Mr. WATKINS.—Some men have enough brains to become lawyers.

Mr. KELLY.—The honorable member is one of the few men in the parliament who have not attempted to become a lawyer.

Mr. JOSEPH COOK.—He set out

Mr. WATKINS.—No, never.

Mr. KELLY.—Am I to understand when he said that some men had not enough brains to become lawyers, he was referring to the fact that he himself had tried and had failed?

Mr. WATKINS.—The honorable member for Parramatta had better withdraw his statement. He must know that it is true.

Mr. KELLY.—I at once withdraw the horrible charge that the honorable member had any ambition to become a lawyer. I am more than glad to see that the Attorney-General has at last recognised the responsibility which he owes to this Chamber. I deeply regret that immediately upon entry he should deem the present discussion of so little importance that professional and private matters can completely claim his attention. I can assure him that this is no laughing matter. One of which this Committee has taken notice, and of which the country tomorrow will take notice. Members of the House are asking the country whether the gentleman who accepts the high office of Attorney-General owes his first duty to the House and the Government, or to himself and his professional position in this city.

Mr. WILKS.—First and last, it is a conflict of self with the Attorney-General.

Mr. KELLY.—The Attorney-General is under an obligation to the House, and I deeply regret that he has not recognised that fact any more than he seems to recognise the common courtesy which he owes to this Chamber when devoting itself to his administration. I hope that he will not leave the chamber, because we have been waiting



for him patiently since half-past two o'clock. Will he admit that he received a telephone message this afternoon asking him to be present in his place in Parliament?

Mr. ISAACS.—I did not receive it until fairly late—until I was engaged in Court.

Mr. KELLY.—Did the Attorney-General receive that message before 3 o'clock?

Mr. ISAACS.—Yes; but I could not then leave the Court.

Mr. KELLY.—Could not the honorable and learned gentleman have "trusted" the Court? We have heard a lot of talk recently in that connexion. Besides, I presume that in all cases he has the assistance of junior counsel—

Mr. ISAACS.—This is most unreasonable. The honorable member could have mentioned the matter long ago had he wished to do so.

Mr. KELLY. — The honorable and learned gentleman states what is incorrect. I had no knowledge that any previous Attorney-General had ever accepted any office of profit under the Crown.

Mr. GROOM.—To what does the honorable member refer?

Mr. KELLY.—I presume the Attorney-General will admit that this retainer is being paid. When a man receives a certain sum for performing certain work, I ask any layman in this Chamber whether that work is not one of profit. Although I may not be fully seized of these legal refinements, I say that the Attorney-General has accepted a certain payment, and that the opinion which he has to give in return may eventually bring the high office which he holds into conflict with a State.

Mr. ISAACS.—Not at all. The question involved is merely one as between States, not as between the Commonwealth and any State.

Mr. KELLY.—If two States quarrel about their rights and the interpretation of the Constitution—

Mr. JOSEPH COOK.—Over the locking of a river, for instance.

Mr. KELLY.—Exactly. Let us assume that one State locks up a river, or demands for irrigation too great a supply of water to permit of the navigability of the stream, who is eventually to decide the matter in dispute? Is it not the Commonwealth? Will the Attorney-General deny that?

Mr. JOSEPH COOK.—We are bound to preserve freedom of trade.

Mr. KELLY.—We are bound to see that each State observes the right of every other State under the Constitution. The Attorney-General knows that, and he knows that the South Australian Government would not ask him for an opinion if they did not afterwards propose to state a case for decision by the High Court. When that case is stated, the matter in dispute will be contested. The Attorney-General's statement is a mere quibble which is unworthy of the honorable and learned gentleman. It is the veriest quibble to declare that the Federal authority will never be brought into the question. I bitterly regret that the Attorney-General has seen fit to place his own professional business before his duty to this House. If he had been present this afternoon to make his explanation, we could have pressed on with what he has been pleased to term "men's business." Now that the honorable and learned gentleman is present, I trust that we shall have his explanation forthwith.

Mr. JOHNSON (Lang).—I have no desire to prolong this debate, but interjections have been made by honorable members concerning what the leader of the Opposition would do in the matter of neglecting his private practice if he found it more lucrative than attending to his parliamentary duties. I would point out that there is an essential difference between the position of a private member and that of a member of the Government. Private members are not in receipt officially of a salary. Members of the Ministry receive special salaries for the offices which they fill, obviously with the object of enabling them to devote the whole of their time to public business without incurring any personal loss. And there is this to be said in reference to the leader of the Opposition—that whilst in office he did not attend to his legal practice. He gave it up entirely, and devoted himself solely to the duties of his position as Prime Minister.

Mr. JOSEPH COOK.—He is suffering to-day as the result.

Mr. JOHNSON.—When he occupied that distinguished position, the right honorable member for East Sydney resolved that his private interests would have to give way to his public duties. I do not say that the Attorney-General should be expected to abandon the whole of his private practice, even for the emoluments

of office, but I do say that in a special case of this kind, in which a specific charge was made against him—a charge of a very serious character, and one affecting his position in the Ministry—it was an act of gross discourtesy on his part not to explain in answer to the telephone message which he received, why he could not attend here, or not to ask to be excused from attendance at the Court for the short period necessary to explain his position.

Mr. ISAACS.—That was impossible.

Mr. JOHNSON.—I do not wish to condemn any person unheard. I admit that it is fair to await the Attorney-General's explanation for his absence. I can only say that by reason of his absence public business in this Chamber has been delayed, and to that extent the honorable and learned gentleman must be held responsible. One of the peculiarities of this debate has been the appearance of the Labour Party in a new rôle. In the past we have been treated to peculiar exhibitions of their capacity for changing their principles and tactics. Their attitude upon the present occasion, however, constitutes one of the most extraordinary somersaults that we have witnessed. Hitherto, they have always posed as the opponents of practices of the kind which form the subject of the present protest from the deputy leader of the Opposition. Now, however, we find them suddenly going back upon all their previous professions, and becoming apologists for the Attorney-General in his position of accepting a retaining fee on behalf of a State which may, as a result of his advice, be brought into conflict with the Commonwealth Government. It will be interesting to watch future developments, and to see the attitude which they adopt under similar circumstances towards any Ministry to which they hereafter are opposed. The present debate will be interesting as a record for future reference in that connexion, and honorable members opposite may rest assured that it will not be forgotten. Now that the Attorney-General is present, I trust that we shall hear some satisfactory explanation from him.

Mr. ISAACS (Indi—Attorney-General).—It is all very well for my honorable friends opposite to declare that time has been wasted by reason of my absence from the Chamber. This is a matter which has been before the public for a very considerable time. Certainly it has been before honorable members for some months, and I

should have thought that if any honorable member intended to refer to it the least he could have done was to give me timely notice, instead of waiting till I was actually engaged in the transaction of business in Court, it being then utterly impossible for me to leave or, in fact, to do more than I did. What I did was to telephone to the Prime Minister, asking him to make the explanation which I understand he made for me.

Mr. WILKS.—The honorable and learned gentleman had notice of the intention of the deputy leader of the Opposition to bring this matter forward at 1 o'clock this afternoon.

Mr. ISAACS.—The honorable member must not say that. His statement is not correct.

Mr. WILKS.—Pardon me. The Government Whip had the information at 1 o'clock this afternoon.

Mr. ISAACS.—I can only assure the honorable member that I did not receive it until very much later. As soon as I did I put myself in communication with the Prime Minister, with the result that I have mentioned. What is the position? Some months ago I received a retainer from the South Australian Government—a retainer that I was bound to accept as an ordinary practising barrister. It is not for me to choose my clients. I accepted that retainer, and I hold it still. The question which was put before me was one of riparian rights between States, and did not concern the Commonwealth in a single particular. As far as I am able to judge, there is no Commonwealth right involved. The Commonwealth is well protected as regards its powers over navigation. Section 100 of the Constitution Act provides that—

The Commonwealth shall not, by any law or regulation of trade or commerce, abridge the right of a State or of the residents therein to the reasonable use of the waters of rivers for conservation or irrigation.

Under that provision "States" and "residents" are put upon exactly the same footing, and if I could not accept a retainer for a State I could not hold one for an individual who might complain that his riparian rights had been interfered with. If Commonwealth rights were involved, I can only say that I should instantly retire from my position as adviser of the South Australian Government. I should not hold that position one moment, if directly or indirectly the rights or in-

terests of the Commonwealth as a whole were involved. But until that occurs—and it has not occurred, and I fail to see how it can possibly occur—I am not only justified, but am bound to hold my retainer, and do my duty to my client.

Mr. LONSDALE. — Until the honorable and learned member has discharged his obligations under the existing retainer.

Mr. ISAACS. — But the case is one which does not affect the Commonwealth. My predecessor in office, Sir Josiah Symon, held his retainer, in the very same way as I have done, throughout the existence of the Reid-McLean Government. Why was no complaint then made?

Mr. WILKS.—We did not know of it.

Mr. JOSEPH COOK.—I have asked three of his colleagues, and they did not know of it.

Mr. KING O'MALLEY. — The Labour Party knew of it.

Mr. ISAACS.—I shall not venture to contradict the honorable member for Parramatta, but the fact that the late Attorney-General did hold that retainer was absolutely public property, and it is astonishing that any one could have remained ignorant of it. I hold that my predecessor was absolutely justified in the course he adopted. All that he was required to do was to advise whether New South Wales or Victoria was acting wrongfully to South Australia in regard to the diversion of water. That was the whole question between these States, and it might have been one raised as between individuals. Such a case might occur between a resident of New South Wales and a resident of South Australia.

Mr. HENRY WILLIS.—But was it not a Federal matter?

Mr. ISAACS.—No.

Mr. HENRY WILLIS. — Not a Federal matter as among the States themselves?

Mr. ISAACS.—A question as between the States would not be a Federal matter. My honorable friend will pardon me for saying that there is a clear distinction between a right as a Commonwealth right and a right as a State right. There are certain powers retained by the States, and in that regard the question at issue between South Australia and certain other States stands as if there had never been a Federation. It seems to be absolutely absurd, therefore, that any question should be raised as to my action. I can only say that the whole matter rests upon two considerations—first

of all, that up to the present—and so far as I can see it will be the same in the future—no question affecting the Commonwealth has arisen or can arise.

Mr. CONROY.—At all events, no such question is before the honorable and learned member as counsel in the case.

Mr. ISAACS.—Certainly not. In the next place I can only say that I shall always do as I did when Attorney-General of Victoria—that the instant my duty to a client conflicts with the interest of the Commonwealth, that instant I shall return my retainer and have nothing to do with the case. That is the whole position.

Mr. WILKS.—Why did the honorable member not return his retainer when he took office?

Mr. ISAACS. — Have I not explained that the position in which it would be my duty to do so has not arisen, and is not likely to arise? I venture to say that no lawyer in this House will say that I am not right.

Mr. KELLY.—Here we have the union once more.

Mr. ISAACS.—I am prepared to appeal to the honorable and learned member for Wannon and to the honorable member for Werriwa to support the position I have taken up.

Mr. ROBINSON.—The Attorney-General is absolutely right.

Mr. JOSEPH COOK.—Is a lawyer a better judge of political propriety than is a layman?

Mr. ISAACS.—I do not say that he is a better judge of political insinuations, but a lawyer is in this case necessarily cognisant of the line of distinction existing between Federal law and interest and a State's law and interest. I am ready to abide by the decision of the members of the legal profession sitting on the Opposition benches, as well as by that of the legal members on this side of the House, as to the course I have taken.

Mr. JOSEPH COOK (Parramatta).—I wholly resent the statement we have just heard that there is one aspect of the judging of affairs of this kind which is peculiar to lawyers, and another that is peculiar to laymen. Looking at the history of like cases, we find that the judgment of laymen has always proved to be sounder than that of members of the legal profession. I have yet to learn that the laymen in this House are not at least as well able as are the lawyers to judge of political propriety.

Mr. ISAACS.—Will the honorable member pardon me? I did not observe the honorable and learned member for Corinella in the Chamber, or I should have added his name to those of the honorable and learned member for Wannon, and the honorable and learned member for Werriwa, when I appealed to them as to the propriety of what I had done.

Mr. McCAY.—I have not spoken.

Mr. JOSEPH COOK.—If the honorable and learned member may appeal only to the lawyers of the Chamber to pronounce judgment, he has a very bad case. If he cannot appeal to the sound, solid, common sense of the House, apart from any professional knowledge, his case must rest upon a very poor foundation. I altogether resent the imputation that has been put upon the laymen of the Chamber by the Attorney-General's specific appeal to the professional opinion of the House.

Mr. CONROY.—I thought that the Attorney-General appealed to the lawyers on the Opposition benches as those most likely to be opposed to him.

Mr. JOSEPH COOK.—I have listened to the honorable member's explanation. He says that it has been a matter of public notoriety for months that the late Attorney-General was retained by the South Australian Government while holding office, and that it is surprising that we did not take this action while the Reid-McLean Government was in office. I can only say that the first that I learned of the honorable and learned member's action in this regard was from the newspaper, whilst on my way home on Friday last. I have asked three of Sir Josiah Symon's late colleagues whether they had any knowledge of his holding a retainer from the South Australian Government, and they all deny that they had.

Mr. ISAACS.—Does not the fact that the late Attorney-General acted as I have done, afford proof to the honorable member that my position is a correct one?

Mr. JOSEPH COOK.—Not necessarily. May I remind my honorable and learned friend that two of the present Justices of the High Court defended the legal and constitutional propriety of a similar action taken by them when they were members of the State Parliament of New South Wales.

Mr. ISAACS.—It was quite a different matter.

Mr. JOSEPH COOK.—A very similar case.

Mr. CONROY.—It was quite different. The opinion of the whole Bar at the time was against them.

Mr. JOSEPH COOK.—I repeat that it was a very similar case. Both those honorable gentlemen defended their position, but the State Parliament sent them to the rightabout, and they were deprived of their offices and their seats in the Legislature. This Parliament as a whole is just as well able to judge of what is an act of political propriety as any individual member of the legal profession in the Chamber. The Attorney-General says that the case in which he has been retained is one which stands as if no Federation existed. I can only imagine that view to be the outcome of a legal mind.

Mr. ISAACS.—Does the honorable member desire an illegal mind?

Mr. JOSEPH COOK.—No. I want a bit of common sense on this matter.

Mr. ISAACS.—The honorable member needs a great deal of it.

Mr. JOSEPH COOK.—I shall not go to the honorable and learned member for any, nor shall I go to him to acquire a sense of what is public propriety and decency. I shall be the judge of my own actions in that regard. Before the honorable and learned member came into the Chamber I quoted from *Quick and Garran*, upon the very question of the riparian rights of the States, to show that in the absence of Federal legislation a State might interfere with the navigability of a river, or remove any impediment from it, in pursuance of what it deemed to be its riparian rights as a State. Surely the honorable and learned member will recognise that Inter-State commerce might be involved in the blocking of a river. If a State chose to interfere with the navigability of a river, in the prosecution of what it believed to be its riparian rights, would he not, as Attorney-General, have to advise the opening of that river?

Mr. ISAACS.—But no such question has arisen.

Mr. JOSEPH COOK.—The honorable and learned gentleman should not place himself in a position which involves the possibility of such a thing.

Mr. ISAACS.—I quite agree with the honorable member.

Mr. JOSEPH COOK.—The honorable and learned member has no right to accept a retainer from a State Government, which makes it possible that he may have to retire from such a position. It is too late to

retire when the trouble has been created. I respectfully submit that the very trouble which the Attorney-General says has not occurred might arise in consequence of an opinion which he submits to one of the States and for which he is paid; his opinion might provoke the very trouble which, as Attorney-General of the Commonwealth, he might subsequently have to correct. The honorable and learned member cannot serve two masters in this respect, and since there is the possibility of conflict always inhering in the relations between a State and the Commonwealth—and to none of those relations more closely and clearly than it does in matters affecting the water rights of the various States—the honorable and learned member ought not to place himself in such a position. The House has the first right to his services. He is the servant of Parliament, and it should have some voice in determining whether or not he should take up such a position as he has done. It is not a matter of legal interpretation, but one of which Parliament, in its corporate capacity, is the best judge. We have had some further statements on the part of the Prime Minister, who has deprecated the passing of judgment in this matter. In my opening remarks, I was extremely careful not to pass judgment on the Attorney-General. I simply said that I regarded his position in this regard as a grave constitutional anomaly, and asked for an explanation. That has been my attitude up to the present moment. The honorable and learned gentleman's intimation to the House that he will continue to hold the retainer from the South Australian Government, until he finds that to do so will be to come into conflict with his Federal duties, is surprising. His position is absolutely untenable. Many a Parliament has visited punishment on those whom it has found taking up such an anomalous attitude. The honorable member for Darwin is the only member of the Labour Party who has spoken in defence of the Attorney-General, and he has certainly given some very strange reasons in support of his contention as to the propriety of the Attorney-General's action. Among other things he said that the honorable and learned gentleman by taking this action might really be preventing difficulties arising as between the Commonwealth and the States. If the Attorney-General of the Commonwealth is in a position to prevent trouble between the States and the Commonwealth by taking a fee from a State Go-

vernment, he must also be in a position to create trouble between them, and I, therefore, say that he ought not to be found placing himself within even the possibility of such a contingency. The very fact that his action as between the State and the Commonwealth may prevent trouble, only serves to illustrate the delicacy of the position in which he stands. Suppose that a solicitor for a private railway were engaged by a competing railway—and in this matter the interests of the States and the Commonwealth are possibly of a competing character, or they may so develop—would any one say that it would be proper for him to give an opinion upon a question as to which the two companies were fighting, or upon which they might fight? That is the position here; but the doctrine is laid down that there must be one code of legal morality outside, and another code inside this House. I recognise no difference whatever. The Attorney-General ought to be defending the interests of the Commonwealth, and ought to have nothing whatever to do with an outside body which at any moment may come into conflict with this Parliament. He is paid to do our work. He has entered into an obligation to do it. As I have already said, he is the legal watchdog of the Commonwealth, and has no right to undertake to act as legal watchdog of any of the States. I regretted exceedingly to hear that he does not intend to discontinue to accept retainers from States Governments, because, if he takes one from the Government of South Australia, there is no reason why he should not accept one from each of the States Governments. He is under a contract to two bodies, which may at any moment come into conflict, and he may be asked to supply each of them with the legal material upon which they may carry on a fight. We ought not to permit any Minister to occupy such a position. I have done what I regard to be my duty in this matter, and I regret that the House does not take a sufficiently serious view of the question. I have seen Parliaments before to-day treat a matter such as this as one of the gravest concern, but all we can get now from those who ought to be the last to shower it upon us, is contempt for our efforts to preserve a proper constitutional attitude towards the States.

Mr. McCAY (Corinella).—I did not feel able to say anything in regard to this

matter until I had heard the exact facts of the case. I have now learnt them from the statement of the Attorney-General, and I do not know that I should have said anything, but for the fact that the Minister was good enough to mention my name. Much as I usually agree with my honorable friends in the questions they raise with regard to the action of Ministers, I am quite unable to understand the exact fault the Attorney-General has committed in connexion with this retainer, for which he is being blamed. I say frankly that I agree with those honorable members who have expressed regret that the Attorney-General is unable to be here more constantly, because I think it is desirable that he should be in closer attendance at the House.

Mr. ISAACS.—I am here a great deal.

Mr. McCAY.—Perhaps so, I am only expressing my own opinion in the matter. I may say that, as one of the colleagues of Senator Sir Josiah Symon in the Reid Government, I was not aware that he had a retainer in the case to which reference has been made.

Mr. KING O'MALLEY.—We were aware of it in the labour room.

Mr. McCAY.—If I were in the labour room, I should know a great many things of which I am at present ignorant; a great many things that I should be glad to know; and, if I were not under a pledge of secrecy, a great many things I should be glad to make known to the public. I understand that the Attorney-General has accepted a retainer from one of two suitors in a matter which does not concern the Commonwealth, and which is not likely in itself, to concern the Commonwealth, but which may lead to some other matter in which our interference will become necessary. He is retained in this matter only, and holds no general retainer from the South Australian Government in regard to all its suits, some of which might involve action against the Commonwealth. He has a retainer in a matter involving two individuals, and a case in which the Commonwealth is not directly concerned. If he were not competent to act in such a matter it would not be open to him to accept a retainer from any suitor, because he could not feel assured that the Commonwealth might not ultimately become involved in the case.

Mr. ISAACS.—I have a general retainer in this subject-matter.

Mr. McCAY.—That is as I understand it. The Attorney-General holds a general retainer upon the question of the rights of the various States with regard to the waters of streams that flow through more than one State—

Mr. JOSEPH COOK.—Upon a question in which the States and the Commonwealth stand closely related to each other.

Mr. McCAY.—The general question of riparian rights is undoubtedly one in which the Commonwealth is interested; but it seems to me to be impossible for the Commonwealth to become a party to the particular suit referred to. Consequently, it seems to me that we have no concern in this particular matter, or in what an honorable member of this House, who happens to be a barrister, may do outside, so long as his action does not conflict with his duty to the Commonwealth. If the Attorney-General were to accept a retainer from a State in a case to which the Commonwealth might fairly be expected to become a party, that would be a different matter.

Mr. ISAACS.—I would not even give an opinion in a matter to which the Commonwealth might become a party.

Mr. McCAY.—The Attorney-General would act wrongly if, whilst holding his present position, he gave an opinion to another party in a matter that might affect the Commonwealth. I do not see, however, how this case could affect the Commonwealth. So far as I am able to judge—and I say frankly that I watch carefully everything that is done by the Attorney-General and his colleagues—I do not see how his position, as counsel for the South Australian Government in this particular case, can affect his judgment as a member of this Parliament, or of the Ministry. What he would do, as counsel to the South Australian Government, would be to give an opinion upon, or argue, the law as it is, or the facts as they are, and that would not prejudice his opinion as to what the law ought to be in regard to the right of interference of the Commonwealth in riparian matters. It is only fair to the Attorney-General that I should say that it appears to me that the case in which he is concerned as counsel has nothing to do with the Commonwealth as a matter of litigation, and that therefore we cannot fairly take exception to his action in connexion with it.

Mr. CULPIN (Brisbane).—An interjection made by me during the time that the honorable member for Wentworth was

speaking, was replied to by him, with the remark that the Labour Party used to object to lawyers. I may say that at the same time they also objected to publicans. I think it would have been a good thing if they had adhered to that line of conduct. I desire to bring under notice a question affecting the interests of my constituents, namely, the proposal to abandon the rifle range at Toowong, which fails to meet present requirements, and to construct a new range at Sandgate. I think that the new range will be much safer and more convenient for the members of rifle clubs, and I trust that its completion will be facilitated as rapidly as possible.

Mr. HENRY WILLIS (Robertson).—I listened with very great interest to the remarks of the Attorney-General, who appeared to attempt to justify his action in flouting this Parliament. He had an insignificant engagement down town which he regarded as of more importance than the necessity of answering the charge made against him by members of the Opposition—a charge which might have involved the very existence of the Government. Not only did the Attorney-General flout this Parliament, but, knowing that a majority was at his back, he said that he would continue to accept retainers from the States Governments. He has been supported by his brother lawyers in this House, who admit that the Commonwealth may become involved in the case in which the Attorney-General's advice has been sought, although they do not think it probable that it will be. That admission is quite sufficient to justify the attitude assumed by members of the Opposition. If the Attorney-General were retained as counsel for a State Government, and a suit involving the Commonwealth were entered upon, the Attorney-General would be required to give us the benefit of his advice. He practically admitted his guilt when he pointed to the fact that a position similar to that occupied by himself had been filled by Senator Sir Josiah Symon. The late Attorney-General was no more justified than is the present occupant of that office in holding a brief from the South Australian Government, and although the Government may weather the present storm, they cannot claim that they have achieved any great victory. The Attorney-General has acted most indiscreetly, not only in flouting honorable members, but in expressing his determination to continue to accept retainers

such as those which he now holds, whilst he is receiving high fees as the legal adviser of the Commonwealth. He has appealed to his brother professionals in this House, and none of them have dared to say that he has done wrong.

Mr. ROBINSON.—We should not be frightened to say so, if we thought so.

Mr. HENRY WILLIS.—As a matter of fact, that interjection shows that the honorable and learned member, and other honorable and learned members are frightened. They have upheld the Attorney-General in working for two masters for the sake of the "shekels." Honorable and learned members are subject to intimidation. Even the honorable and learned member for Corinella, who was disposed to take the view that the Attorney-General was not justified in retaining his present position, expressed an opposite opinion after he had been taken by the ear by the Attorney-General. I am not permitted to say all I know, but the honorable and learned member for Corinella knows that had he been called upon to speak before the Attorney-General had made his explanation, he would have expressed views very different from those which he uttered. It was not until the Attorney-General had taken him by the ear that he came forward and spoke in the subjunctive mood as to what may or may not occur. But it is most unjust that the legal members of the House should band themselves together in support of the Attorney-General instead of speaking on behalf of the interests of the Commonwealth. The honorable and learned gentleman has been called upon to advise one of the States, and he has told us that he would advise one or all of them against the interests of the Commonwealth.

Mr. ISAACS.—I did not say that.

Mr. HENRY WILLIS.—If the honorable and learned gentleman advises a State upon a matter affecting the Commonwealth, is he not advising it as to the position which it should take up against the Commonwealth? Would he be called upon to advise for any other reason? The honorable and learned member for Angas has made himself famous for his advocacy of the rights of his State in regard to the waters of the Murray River system, and he has stated a case for the opinion of the Attorney-General and Sir Josiah Symon. These gentlemen have given their opinions, for which they have drawn fees.

Mr. ROBINSON.—Why should they not do so?

Mr. HENRY WILLIS.—It is the shekels that they think of. No one has a higher opinion of the Attorney-General than I have. But I am thoroughly disgusted to hear him reiterate that he will continue to accept retainers and fees from individual States against the interests of the Commonwealth.

Mr. ISAACS.—I have not said anything of the kind.

Mr. HENRY WILLIS.—The honorable and learned gentleman has stated that he will continue to accept retainers to advise individual States in regard to these conflicting interests, which, as the honorable and learned member for Corinella said, may not concern the Commonwealth, thereby admitting that they may concern the Commonwealth. The Attorney-General, because he has a majority at his back, has flouted Parliament.

Mr. THOMAS.—He is only flouting certain members of the Opposition.

Mr. HENRY WILLIS.—The wires are already at work, and to-morrow the newspapers of the Commonwealth will fire the public with indignation at what has been done. Honorable members may jeer in their fancied security, but were it not for the fact that Senator Sir Josiah Symon has also been culpable, and that the leader of the Opposition is absent, there would be something like a crisis on this occasion. I am familiar with Constitutional authorities, and I know that Governments have gone down on questions of this character. That I admit was in days when we had in Parliament men who were constitutionalists. They would not have suffered Parliament to be flouted by the Attorney-General, who caused the House to waste hours while he was earning shekels in a Court down the street. The laughter of honorable members does not disconcert me; it only shows how satisfied they are in their ignorance. The country will not stand this kind of thing, and the fact that we who object to it are in a minority in this Chamber should make our opposition all the stronger. Had the Attorney-General been alive to his responsibilities as a Minister of the Crown, he would have thrown up his brief and the fees attached to it, and come here at once to explain matters to Parliament. If he had done that, the debate might have ended in five minutes.

Mr. CONROY.—If I were a client, no lawyer should treat my brief in that way.

Mr. HENRY WILLIS.—A citizen who sat in the gallery for hours this afternoon

commented on the strangeness of the fact that this discussion should go on so long while the Attorney-General was down the street earning fees. The honorable and learned gentleman has appealed to the legal members of the House, as if they were the men best able to judge of his position.

Mr. ROBINSON.—Any one with a clear head can judge of it.

Mr. HENRY WILLIS.—I would not go to the honorable and learned member for clearness of head, notwithstanding his precocity. However, I am well satisfied with the turn the debate has taken. Two or three victories of this character will mean the downfall of the Ministry. I know that the Attorney-General will not accept another fee of the same character, and to that extent the debate has done good. But he has no justification for allowing Parliament to discuss a matter for hours when it could have been decided in five minutes, if he had not been down the street earning fees.

Mr. ISAACS.—I am not responsible for the conduct of the honorable member in wasting time.

Mr. HENRY WILLIS.—The seriousness of the situation appealed to the Prime Minister, who told us that he had rung up the Attorney-General, and said to him, "You are wanted in Parliament," and that his reply was, "I will come when this case is finished."

Mr. ISAACS.—That is not so.

Mr. HENRY WILLIS.—The Prime Minister stated that he had rung up the Attorney-General, who said that he would not come. I am glad to learn that the Attorney-General did not give that reply.

Mr. ISAACS.—And nobody said that I gave it.

Mr. HENRY WILLIS.—The action of the Prime Minister showed that he was alive to the seriousness of the situation. The Attorney-General has flouted his own leader, and the Government, which I thought stood pretty firmly upon a rock, is standing on sand when a Minister can do that. The Labour Party cheer the Government now, but they would cheer us to-morrow if they thought that it was necessary to support us to prevent a dissolution. For their own safety, they support a Government which will bring in measures which will enable this Parliament to spin out its existence as long as possible. I do not usually speak so warmly, or at such length, but this is a serious matter. If the Government continue to ignore the Opposition,



they will find that, instead of being on a bed of roses, they will be on a bed of thorns. Their punishment will come from without, rather than from within, as all reforms come. It is only so long as we have the public with us that we can be secure of our positions, and it is because the members of the Opposition feel that the public will be indignant at the advising of the States by the Attorney-General against the interests of the Commonwealth that we so strongly resent his action.

Mr. MALONEY (Melbourne).—I think that the debate is not altogether a waste of time, because it will show the House how to avoid a similar occurrence in the future. Let us make a change by providing for an elective Ministry, and requiring that every Minister shall give up private practice.

Mr. CONROY.—If I were a Minister, how would the honorable member make me sit in a room with men with whose opinions I was not in accord?

Mr. MALONEY.—The honorable and learned member will never be a Minister. As a member of the State Parliament, I always held strongly, and still hold, that there should be elective Ministries and permanent occupancy of portfolios, with the giving up of private business. So long as the game of the ins and the outs continues, any Attorney-General would be foolish to give up his private practice. But if the leader of the Opposition will move for the election of Ministers and require elective Ministers to give up their private practice, I shall vote for the motion. Any one who has seen the large volume of type-written matter upon which the Attorney-General has been called upon to advise, knows that he has not had time since he has been in office to attend to the case, and that the matter is one which has been the subject of his consideration for over a year. He could not afford to give up his private practice under present circumstances, because he may at any time lose his office by reason of a change of Ministry. But if he had security of tenure—and his abilities would warrant him in holding the office for life—I have no doubt that he would be willing to give up his private practice. But until that occurs, or until we adopt a common-sense method of electing Ministers, I trust that he will continue to act as he has been doing.

Mr. FULLER (Illawarra).—I agree with a great many of the remarks of the honorable member for Robertson in regard to the time which has been consumed this

afternoon as the result of the absence of the Attorney-General from this Chamber. The absence from the House, not only of the Attorney-General, but of Ministers generally, is a matter of public scandal from one end of Australia to the other. If the Attorney-General cannot find it convenient to attend here whilst the Court is sitting—if he prefers to neglect the business of the country—

Mr. ISAACS.—I do not neglect it. I venture to say that I have done even more than my fair share of work.

Mr. FULLER.—The Attorney-General has admitted that he received a telephone message before 3 o'clock this afternoon, requesting him to attend in his place in the Chamber. Had he been present, time would not have been wasted in discussing this matter, and money would thus have been saved to the country. To my mind, that circumstance furnishes another strong reason for our removing to the permanent Seat of Government as speedily as possible. The sooner we are all placed upon the same level in the discharge of our legislative functions, the better it will be for Australia as a whole. I know that there are members in this House representing New South Wales constituencies—and in this connexion I may mention the right honorable member for East Sydney and the honorable and learned member for Werriwa—who have been compelled to sacrifice a large portion of their professional practice since they entered this Parliament. I abandoned my practice the moment I was returned to the Commonwealth Legislature, realizing that I could not attend to it and at the same time efficiently perform my parliamentary duties. But there are some representatives who are not able to live upon their parliamentary allowance, and who are compelled to seek some additional source of income. The sooner the representatives of the other States are placed upon an equality with those of New South Wales, the better will it be for the Commonwealth. I cannot agree with all the remarks of the honorable member for Robertson. I am sure that the Attorney-General has not endeavoured to intimidate any member of the legal profession. Moreover, if any such intimidation were attempted, there is no body of men who would more keenly resent it than would the members of that profession. The members of the Australian Bar are, in all probability, the most

independent set of individuals, so far as character and opinions are concerned, to be found from one end of the Commonwealth to the other. I hope that the ear of the honorable member for Corinella has not been very seriously hurt by the pulling which it received from the Attorney-General, according to the description of the honorable member for Robertson. I take a different view from that of my fellow lawyers of this matter. I regard the position occupied by the present Attorney-General and by his predecessor in office as one which is open to very serious objection. As far as I am personally concerned, I did not know that the question was to be raised until the deputy leader of the Opposition spoke to me about it just before I entered the Chamber; but I recognise that the Attorney-General is the legal watchdog of the Commonwealth, and I think that the anomalous position occupied by the honorable and learned member for Indi calls for very serious consideration on the part of the House and the country. I should like to refer the Attorney-General to page 885 of Quick and Garra's *Annotated Constitution of the Australian Commonwealth*. Under the heading of "Concurrent powers of the States" appears the following:—

The navigation power, being part of the trade and commerce power, is not "exclusively" vested in the Parliament of the Commonwealth, and, therefore, the concurrent power of the States to deal with Inter-State navigation and with navigable waters will continue, subject to be ousted, in part or in whole, by Federal legislation.

Lower down on the same page I find—

And a State may not only, in the absence of Federal legislation, improve the navigability of rivers, but may even obstruct navigability.

In the present instance, we find that the Attorney-General, according to his own statement, is advising the South Australian Government upon a question affecting the riparian rights of that State and some other States.

Mr. ISAACS.—Not as affecting navigability.

Mr. FULLER.—A decision as to the rights of the different States to the waters of a river may easily result in a question affecting its navigability. A State may not only improve, but may even obstruct navigability.

Mr. ISAACS.—Will the honorable and learned member permit me to say that the only question involved, so far as I am aware, is as to whether other States have

a right to take as much water from South Australia as they have done.

Mr. FULLER.—A sufficient quantity of water may be diverted from a river to block its navigation, and consequently to interfere with Inter-State commerce, which is a matter that comes under Federal jurisdiction, and one with which the Attorney-General would have to deal.

Mr. ISAACS.—If such a question could possibly arise, in acting on behalf of South Australia and endeavouring to prevent it, I should actually be acting in the interests of the Commonwealth.

Mr. JOSEPH COOK.—That does not affect the question of the propriety of the Attorney-General acting as adviser to a State Government.

Mr. FULLER.—Exactly. It does not affect the possibility of the Attorney-General in his official position advising a State Government as to an obstruction of navigation. I was a member of the New South Wales Parliament when a similar matter was raised affecting the position of two of the present Justices of the High Court. I think that the course followed by the Attorney-General seriously affects him in his official position. I was very sorry to hear him speak in such a confident way, and with so little regard to the strong opinions which have been expressed in this House. I regret that he intends to continue to hold a retainer from the South Australian Government.

Mr. ISAACS.—I did not say that.

Mr. FULLER.—I think that the honorable and learned gentleman has been very indiscreet in this matter. I wish that he had been more gracious to the Committee, and to the Opposition in particular. I sincerely trust that in future when great matters of this sort do arise, he will allow his private interests to give way to those of the public.

Mr. ISAACS.—If I had had any fair intimation at all I should have been present in the Chamber this afternoon. The honorable member for Parramatta said that he knew of the matter on Friday, and yet I never heard of his intention to take action until to-day.

Mr. JOSEPH COOK.—The whip went away to ring up the honorable and learned gentleman at a quarter to 1 o'clock this afternoon.

Mr. HUME COOK.—But the whip did not get him on the telephone.

Mr. CONROY (Werriwa).—I could thoroughly sympathize with the honorable

member for Robertson in the strong language which he has used, if the facts were as he represented them to be. It seems to me, however, that they are not. Indeed, I think that even the honorable member for Parramatta has misunderstood the position. If this were a case in which the Attorney-General, in his official capacity, had undertaken to give an opinion which might conflict with his duties as chief legal adviser of the Commonwealth, I should have indorsed every condemnatory word which has been uttered regarding his action. Probably I should have said a great deal more. But the honorable and learned gentleman said in effect, "My case is of such and such a nature, and I appeal to the honorable and learned member for Wannon, the honorable and learned member for Corinella, and the honorable and learned member for Werriwa, as to whether I have not acted rightly." I interpreted that statement differently from the honorable member for Parramatta. I submit that the Attorney-General knew that we were so opposed to him generally, that if he had acted wrongly, we should have been the first to wipe him out. When the honorable member for Robertson suggests that, because we are members of the legal profession, we would side with him in an iniquitous course, I am absolutely surprised. If the case were as the honorable member represented, I should agree with every word that he uttered.

Mr. JOSEPH COOK.—The House is just as able to judge of a matter of political propriety as is a lawyer.

Mr. CONROY.—I think so, too. I wish that there were a little more political propriety and morality in this House. New South Wales would not then be denied the Federal Capital, or her right to an additional representative. The Attorney-General was asked for his opinion by the South Australian Government before he accepted Ministerial office. If his opinion had conflicted with his present duties, I should have expected him to throw up his retainer at once, and he says that he would have so acted.

Mr. JOSEPH COOK.—The ground I take is that he has no right as Attorney-General to put himself in a position in which there is a possibility of that occurring.

Mr. CONROY.—The honorable member is perfectly right in the position which he takes up. But the facts are that the South Australian Government wish to know whether they have certain remedies against

Victoria, or New South Wales, or Queensland, if any of these States interfere with certain waters. That applies not only to the States themselves, but to the residents of those States. Surely a lawyer is entitled to give his opinion upon such a question. In my opinion it is better that lawyers should abstain from practice rather than incur the risk of conflict with their duties as members of Parliament. Since I entered the Commonwealth Parliament I have absolutely refused to deal with any cases in which the Crown is concerned, either upon one side or the other. But what does it entail? The sacrifice of the whole of my professional practice. That is why I complain so bitterly—

Mr. LONSDALE.—Of the inadequacy of the parliamentary allowance?

Mr. CONROY.—Quite so. It is absolutely impossible for an honorable member to attend both to his parliamentary and professional duties. A barrister who happens to be a member of Parliament is perfectly justified, however, in undertaking any duty in his professional capacity that does not conflict with his position as a representative of the people. The case, as presented to us, is that the Attorney-General has been asked to advise what are the riparian rights of South Australia as against, not the Commonwealth, but Victoria, New South Wales, or Queensland, which is a very different thing.

Mr. JOSEPH COOK.—It might be against the Commonwealth.

Mr. CONROY.—Does not the honorable member recognise that that position might arise in the very near future?

Mr. JOSEPH COOK.—And, therefore, the Attorney-General should keep aloof from the case.

Mr. CONROY.—It has not yet arisen. The only provision in the Constitution dealing with this question is section 100, which provides that—

The Commonwealth shall not, by any law or regulation of trade or commerce, abridge the right of a State or of the residents therein, to the reasonable use of the waters of rivers for conservation or irrigation.

Mr. ISAACS.—That preserves the rights of the States.

Mr. CONROY.—The point is that we have not made any regulation or passed any law affecting these matters.

Mr. JOSEPH COOK.—That being so, the Attorney-General may have to step in at any moment.

Mr. CONROY.—There can be no conflict at present between the States and the Commonwealth. All that the Attorney-General has been asked to do by the South Australian Government is to give an opinion as to the rights of that State in the case of a conflict with another State.

Mr. JOSEPH COOK.—I hold that, as a possible umpire, he should have referred the question to some one else.

Mr. McCAY.—He cannot possibly become an umpire.

Mr. CONROY.—Does not the honorable member for Parramatta see that a different position altogether would be created if such a thing were possible? As a matter of fact, however, the High Court, and not the Parliament, must deal with these questions. It is the decision of the High Court—and not the decision of the Parliament—which is vital, so far as the rights of the States in this respect are concerned.

Mr. JOSEPH COOK.—The Attorney-General might have to place before the Court a case in which one State had locked a river, and interfered with trade.

Mr. CONROY.—That case would have to come before the High Court, and not before the Parliament.

Mr. JOSEPH COOK.—But the obligation is placed on us under the Constitution to preserve the freedom of trade.

Mr. CONROY.—The moment any law or regulation abridging the right of a State to the use of the waters of rivers was passed, the Attorney-General would be able to deal with questions of this kind. He might then have to state a case for the opinion of the High Court. If the position were, as some honorable members of the Opposition have suggested, there could be no question as to what ought to be done. But the case is very different from what they suggest. When the Attorney-General appealed to the members of the legal profession in the House, I had to say, in all fairness, what, in my opinion, was the real position. I should be very glad to turn the whole Ministry out of office, and wish that I could have found some excuse for doing so in the complaint now under discussion; but in justice to the Attorney-General I must say that at present, if the facts be as he has stated, I see nothing in his conduct in this case that calls for condemnation. While I think it is a matter for regret that he was not in attendance a little earlier in the afternoon, let me tell honorable members that clients will not

always allow their counsel to leave a court at a moment's notice—

Mr. WILKS.—Should not the public be considered?

Mr. CONROY.—Was not one of the public being considered in a most vital matter by the absence of the Attorney-General from the House? Was he not seeking to help a member of the public to obtain justice?

Mr. ISAACS.—How much has the public been considered by this waste of time?

Mr. CONROY.—If the position were as suggested by some of my honorable friends of the Opposition, I should say that time had not been unduly occupied in dealing with it. But I feel constrained to say that I think the Attorney-General has not acted improperly.

Mr. JOSEPH COOK.—That it is right for him to retain his retainer?

Mr. CONROY.—If the case is one relating only to a dispute between States, he certainly is right; but if it were a matter affecting a dispute between a State and the Commonwealth, his position could not be justified.

Mr. JOSEPH COOK.—Would it be proper for him to accept a retainer from every State in any matter affecting State rights?

Mr. CONROY.—He could not do that.

Mr. JOSEPH COOK.—Why?

Mr. CONROY.—Because such a position could arise only in an action by the States against the Commonwealth. The Attorney-General tells us that he has simply been asked to advise what are the riparian rights of South Australia as against other States.

Mr. MCWILLIAMS.—And the Commonwealth may be dragged at any time into the dispute.

Mr. CONROY.—I wish the honorable member could show me that that is so.

Mr. MCWILLIAMS.—If there be a possibility of the Commonwealth becoming involved in the dispute, would it not be better for all concerned that the Attorney-General should be perfectly free?

Mr. CONROY.—In my opinion, the allowance attached to the office of Attorney-General should be such that on taking that office an honorable member ought not to accept briefs of any kind.

Mr. WILKS.—That is what we are contending.

Mr. KING O'MALLEY.—If he had any security of tenure in those circumstances, he ought not to accept briefs.

Mr. CONROY.—That is so. At present no such security exists, and, therefore, I do not think it would be right to expect members of the legal profession to sacrifice their practice at the bar on assuming office.

Mr. ISAACS.—Are business men required to give up all their business on taking office?

Mr. CONROY.—They are not.

Mr. SYDNEY SMITH.—Many of them have to do so.

Mr. CONROY.—In the present circumstances, no one expects them to do anything of the kind. A time will come, however, when it will be recognised that the duties of a Parliamentarian, if properly carried out, are such that no remuneration earned in the ordinary walks of life could be too high for him. As some reference has been made to certain cases that have arisen in New South Wales, I may say that the one now before us is absolutely different from them.

Mr. JOSEPH COOK.—It is only legally different from them.

Mr. CONROY.—No. There is a vital difference. In the Proudfoot case, proceedings were taken against certain Railway Commissioners, and the subtle point was raised that the Railway Commissioners were not the Crown.

Mr. JOSEPH COOK.—The question actually arose which may arise in this case.

Mr. CONROY.—In the present circumstances, the case suggested by the honorable member cannot arise. Does he mean to say that I should not appear to-morrow as counsel in a case, because a year, or twenty years hence some one might mention in the House that there was such a case?

Mr. JOSEPH COOK.—That is not an analogous case.

Mr. CONROY.—Does the honorable member assert that if the honorable member for Darwin did not receive his parliamentary allowance for a month, he would not be at liberty to bring an action against the Commonwealth to recover it, and that a member of Parliament ought not to accept a brief to appear in his behalf? Would the honorable member say that if a member of this Parliament were injured by a Commonwealth law dealing with navigation, he should not be allowed to bring an action to secure redress? Does any honorable member say that if a State,

or even the Federal Parliament, imposed an income tax to which he objected, he would not be at liberty to fight in the Law Courts against its application to him?

Mr. JOSEPH COOK.—Does the honorable and learned member say that the Attorney-General would be justified in appearing for a State in an income-tax case against a member of this Parliament?

Mr. CONROY.—He would be justified if he were a private member. If he were called upon as Attorney-General to deal with a case of that kind, the position would be entirely different. If the New South Wales Government decided to bring an action against the Federal Parliament, because it had declined to carry out the provisions of the Constitution in regard to the representation of the people, and the Attorney-General accepted a retainer on behalf of that State, we should certainly do our best to turn him out of office at the first opportunity.

Mr. ISAACS.—I quite agree with the honorable and learned member.

Mr. MCWILLIAMS.—Does the honorable and learned member think that any lawyer in the House would do anything so indecent?

Mr. CONROY.—I do not think he would.

Mr. JOSEPH COOK.—All that I say is that the Attorney-General should not accept a retainer from a State in proceedings against the Commonwealth.

Mr. CONROY.—There is no doubt that in that respect the honorable member's contention is correct; but in fairness to the Attorney-General, I must say that there is no connexion between the case now before us and the supposititious one raised by the honorable member for Parramatta.

Mr. LONSDALE (New England).—Before the Attorney-General made his statement to the House, I expressed my view that there was no objection to the Attorney-General completing the work he had engaged to do for the South Australian Government under the retainer accepted by him, but that, as a matter of political propriety, he should retire from his present position as counsel for the Government of that State immediately his present obligations had been discharged. I still hold that view. The Attorney-General has declared his intention to continue to accept retainers from the States Governments, and I think that he is adopting an altogether wrong

attitude, because he should be absolutely free from anything that would create suspicion in the public mind.

Mr. ISAACS.—The honorable member heard me say that if anything should arise which might directly or indirectly affect the Commonwealth I would retire immediately.

Mr. LONSDALE.—I understood so, but I think that the Attorney-General would consult his own dignity and the political proprieties if he broke off his present relations with the South Australian Government at the earliest opportunity.

Mr. JOSEPH COOK.—What would be the position if he stood by the South Australian Government until the time for action came, and then left them?

Mr. LONSDALE.—I say that that would be wrong.

Mr. ISAACS.—The honorable member for Parramatta entirely misconceives the position.

Mr. LONSDALE.—The Attorney-General says that the interests of South Australia and those of the Commonwealth cannot come into conflict in connexion with the matter in which he has been retained, because the interests of South Australia would be those of the Commonwealth in the event of any dispute arising. I do not know that that is quite the correct view to take. I can imagine a dispute arising owing to the diversion of waters from the rivers by New South Wales and Victoria, and a question being asked in this Parliament with regard to it. The Attorney-General would then be called upon to express his opinion, and if it were in conflict with the views expressed by the legal advisers of New South Wales and Victoria, it might be suggested that the Minister was influenced by his connexion with the South Australian Government.

Mr. ISAACS.—The probability is that I should not answer the question, because it would not be a proper one to ask.

Mr. LONSDALE.—The mere refusal to answer the question might create suspicion that the Attorney-General was shirking his duty, and I think that everything calculated to operate in that direction should be avoided. I do not wish to set myself up as a pattern in this respect, but I may say that I have always declined to do anything that might create suspicion in the public mind with regard to my conduct or character as a public man. I do not suggest that the Attorney-General would do anything wrong, or that he would allow his retainer to influence him

one way or the other, but I think we should at its very inception express our strong objection to anything that would tend to prejudicially affect the character of Ministers, or suggest a divided allegiance on their part.

Mr. ISAACS.—I quite agree with that.

Mr. LONSDALE.—It may be urged that the case in question is one of small importance, but it is better for us to take action in the right direction now rather than to wait until some momentous occasion arises. I quite agree that the Proudfoot case in New South Wales stands on a footing entirely different from that which has been under discussion, but I would point out that the complications which arose over that case would never have occurred if objection had been taken at an earlier stage to Ministers acting as counsel for claimants against the Government. Mr. Justice Barton and Mr. Justice O'Connor would never have accepted briefs in connexion with the case referred to, but for the fact that similar action on the part of others had been allowed to pass without question. I would urge upon the Attorney-General that, as a matter of political propriety, he should set a good example for the future, and withdraw from his present position at the very first opportunity. I am sure that he would not be involved in any great loss.

Mr. ISAACS.—That is not the question. If it were wrong for me to continue to act as counsel for the South Australian Government, I should not hesitate to retire from that position whatever the loss might be.

Mr. LONSDALE.—That may be so, but I still think that the Attorney-General would consult his own dignity if he were to take the course suggested. I feel very strongly in this matter, and I shall certainly vote in the direction I indicated when I first addressed the House, because I think we should be very careful to avoid the slightest inroad upon the sphere of duty of Ministers.

Mr. MAUGER (Melbourne Ports).—I wish to direct attention to a matter of considerable importance to a very large section of the community, namely, the prohibition of the importation of opium. I had hoped that the Government would have declared their policy upon that subject, and I trust that it will receive their earliest and most careful consideration. Another matter I desire to mention relates to the Department of the Postmaster-General. A very serious

accident recently occurred to a workman who was engaged in painting telegraph poles, and I would urge the Postmaster-General to take all the steps in his power to secure the safety of the men occupied in this work by providing them with belts and scaffolding.

Mr. DUGALD THOMSON (North Sydney).—Before alluding very briefly to the subject that has occupied most of the time of the Committee this afternoon, I should like to say that so far we are without information as to whether the Government have accepted the Public Service Classification Scheme. I am surprised that the Government have not announced their intention in regard to the matter. I understand that no provision is made in the Estimates for the increases in the salaries provided for under the Classification. That might be taken as an indication that the Classification had not been accepted, and I think that we are entitled to some announcement on the subject. The Watson Government stated definitely what their attitude was, and I think—

Mr. GROOM.—Did the Government with which the honorable member was associated indicate its attitude?

Mr. DUGALD THOMSON.—We had not brought the matter forward. We promised that an opportunity would be afforded to discuss the Classification Scheme, and when matters had reached that stage we should most certainly have indicated our attitude. I stated most distinctly that, so far as I was concerned, I was prepared to accept the scheme, but I am not sure whether the Prime Minister made any definite announcement on the subject.

Mr. PAGE.—He practically accepted it.

Mr. DUGALD THOMSON.—Certainly, if an opportunity had been afforded to the Government with which I was connected to bring the matter forward, we should have regarded it our duty to declare our attitude with regard to it. I do not propose to prolong the debate that has taken place with regard to the propriety of the Attorney-General continuing to act as counsel for the South Australian Government in the matter of the Murray waters question. Up to the stage of his announcement that he intends to accept a renewal of the retainer, I agree with those who found no exception to the action of the Attorney-General. He, with other members of the Parliament, when not in office, undertook to give a legal opinion to the State of South Australia on the important matter of the rivers question. If

that work had not been completed when he took office, I would not have objected to its completion, especially as during the brief period for which the retainer had to run there was no likelihood of any serious question arising in the matter which would affect the Commonwealth. So far as the honorable and learned member for Angas, against whom some reflections were made, is concerned, I think that he was right in accepting a retainer. He was, and is, a private member of the House, and I hold that a private member may fight a question, as he has fought that question, in Parliament, out of Parliament, in his State, or constituency, and, if he sees fit, in the law courts of the country.

Mr. TUDOR.—What about the action of the Attorney-General of the late Administration?

Mr. DUGALD THOMSON.—The statement in the newspaper the other day was the first knowledge I had that either the honorable and learned member for Indi or Senator Sir Josiah Symon had been retained by South Australia, though I understood that the honorable and learned member for Angas had been so retained. I learn from what has been stated<sup>1</sup> that Senator Sir Josiah Symon, like the Attorney-General, when a private member accepted a retainer to give a legal opinion to the State of South Australia. How far he did anything for that retainer while a member of the Ministry, I cannot say.

Mr. ISAACS.—He occupied the same position as I do.

Mr. DUGALD THOMSON.—I would have no objection to the Attorney-General acting in this manner until he had completed the task which he undertook, and I have exonerated the honorable and learned member for Angas from any impropriety. But it is another thing for the Attorney-General to announce to Parliament his intention to renew his retainer. An entirely new situation now arises. I do not say that it is actually wrong for him to do this, but it is getting near the borderland, and it is highly desirable, in my opinion, so that there may be no cause for suspicion, that he should come to another decision. It is all very well for the honorable and learned member for Werriwa, and other honorable members, to say that the questions arising between the two States concerned are not such as will affect the Commonwealth. The honorable and learned

member for Werriwa stated that the only power given to the Commonwealth in the Constitution in regard to these river matters is contained in section 100, which says that—

The Commonwealth shall not by any law or regulation of trade or commerce, abridge the right of a State or of the residents therein to the reasonable use of the waters of rivers for conservation or irrigation.

Mr. ISAACS.—That does not give a power; it restricts the power of the Commonwealth.

Mr. DUGALD THOMSON.—It implies a power. Quick and Garran say at page 874 of their *Annotated Constitution*—

The power to regulate commerce is the basis of the power to regulate navigation and navigable waters and streams.

To me it is evident that some of the questions affecting the Commonwealth must come up in any suit that is entered upon between the States with regard to the waters of the Murray.

Mr. ISAACS.—If a question arose between two citizens of the Commonwealth regarding their riparian rights, would it be improper for a Minister to accept a brief from one of them?

Mr. DUGALD THOMSON.—I do not say so.

Mr. ISAACS.—That is a similar case.

Mr. DUGALD THOMSON.—Even in such a case, if the Minister knew that under the Constitution questions might arise in regard to which the powers of the Commonwealth would be brought into consideration, and possibly into action, he should say, "I must hand back my retainer."

Mr. ISAACS.—If the interests of the Commonwealth were in any way involved, directly or indirectly, it would be my duty, and I would carry it out at once, to return the retainer.

Mr. DUGALD THOMSON.—It might be, as often happens in law cases, that the Commonwealth would have to be represented by counsel in the case, and who would direct counsel if the Attorney-General were briefed for one of the parties?

Mr. ISAACS.—That situation is impossible.

Mr. DUGALD THOMSON.—It is not impossible. I have shown what large powers the Constitution gives to the Commonwealth in connexion with navigable rivers and streams.

Mr. ISAACS.—The Commonwealth has power to regulate bills of lading. Am I, therefore, not to appear in a dispute between two merchants arising out of a bill of lading?

Mr. DUGALD THOMSON.—That is not a case of the same sort. The Commonwealth is not the trustee of the States in that matter.

Mr. ISAACS.—It is not the trustee of the States in this matter.

Mr. DUGALD THOMSON.—The Commonwealth must see that there is equality between the States.

Mr. PAGE.—Would the Commonwealth have to interfere if there were a dispute about water rights between Victoria and South Australia?

Mr. DUGALD THOMSON.—It might. The questions raised might trench on the trust of the Commonwealth, in which case the Commonwealth might have to interfere.

Mr. ISAACS.—It could not.

Mr. DUGALD THOMSON.—I think it undesirable that a Minister should be bound to one of the parties of a suit by which Commonwealth interests may be affected. The proper attitude of the Attorney-General is to stand by, ready to interfere at any moment when he sees the rights of the States which have been committed to his trust trenching upon. The honour of a Minister is to a certain extent his own, but it is also in the possession of Parliament, and we should be particular to see, not only that it is not smirched, but that there is no appearance of evil. The consideration of this matter should be above party influence, but with all due respect to the Minister, without saying a word against him personally, or impugning his motives, I think that he has not come to the wisest decision. I do not blame him for undertaking, before he became a Minister, to give an opinion.

Mr. ISAACS.—I have not completed the work yet.

Mr. DUGALD THOMSON.—The task I know requires much learned research, tremendous labour, and grave consideration, and if the Attorney-General says, "I have not completed it," I, for one, will not find the slightest fault with him for going on with it until he has brought it to a completion. But, to renew, the retainer is a different thing. The reason for which a retainer is given is that his services may be called upon by the State.



Mr. ISAACS.—But not against the Commonwealth.

Mr. DUGALD THOMSON.—There might be a danger of a decision being given which would be against the interests of the Commonwealth, unless the Commonwealth intervenes.

Mr. ISAACS.—That is quite impossible.

Mr. DUGALD THOMSON.—It may be improbable, but it is not impossible. Under the circumstances, I think it highly desirable that the Minister should keep his hands free.

Mr. CHANTER.—Should not other members do so, too?

Mr. DUGALD THOMSON.—I see no objection to a lawyer, who is a private member, taking a brief against the Commonwealth, if he sees fit.

Mr. ROBINSON.—Under the Constitution, he cannot accept a brief for the Commonwealth.

Mr. DUGALD THOMSON.—The honorable member for Riverina, who, like myself, is a layman, has fought questions in this House, and outside, and if he thought right, and had the opportunity and the means, it would be open to him to pursue the matter in a suit at law.

Mr. CHANTER.—Not if my personal interest were concerned.

Mr. DUGALD THOMSON.—I am speaking of matters affecting the interests of constituents. Similarly, a man may accept a brief for his State against the Commonwealth if he thinks that the Commonwealth is exceeding its powers. But the Attorney-General, whose business it is to look after the interests of the Commonwealth, especially in regard to legal matters, occupies a different position, and should have his hands perfectly free. He should not be tied to any party in connexion with litigation which may affect the Commonwealth interest.

Mr. ISAACS.—I quite agree as to that.

Mr. DUGALD THOMSON.—I shall not vote for any motion moved in regard to this matter, because I do not say that the honorable and learned member's action is absolutely wrong, but it is near the border line. Unless the Minister alters his decision, we shall have to await later developments; but the time occupied in this discussion will not have been wasted if it leads Ministers to exercise care in guarding their actions, so that the interests of their professions or business may not, in any case, overlap those of the Commonwealth.

Mr. ROBINSON (Wannon).—My apology for making a few remarks is that my name has been mentioned once or twice during the debate. In this matter, I cannot follow the lead of the honorable member for Parramatta. So far as I have been able to gather from the facts which have been stated to the Committee, no blame or impropriety whatever attaches to the Attorney-General. He has merely given an opinion upon certain matters. He has not appeared in any judicial proceeding. He has simply been asked for an opinion in reference to the rights of two States to the waters of a river which flows through them. The interests of the Commonwealth are not attacked or concerned by the conflict between those two States, and to my mind the Attorney-General is perfectly justified in accepting a retainer from one of them, and if necessary in appearing in court, and arguing upon its behalf. If we are to take up the position that he is not to act for any State, simply because upon some future day the Commonwealth may be concerned in a dispute, we shall make the acceptance of Ministerial office a great bar to men capable of filling the position of Attorney-General. If honorable members accept that doctrine, there is scarcely a transaction in ordinary business in which by a parity of reasoning the Commonwealth may not be affected. For example, an auctioneer, if he were a member of Parliament, might be prevented from giving a valuation of any land, because possibly at some future time that valuation might come before the Commonwealth Government as a basis of purchase. If that doctrine were pressed to its logical conclusion, not only members of the legal profession, but a great many others would be prevented from engaging in any occupation whilst carrying out their parliamentary duties. I think that the attitude taken up by the Attorney-General is the correct one, and that it is entirely within the bounds, not only of legal, but of ordinary propriety. The particular ground of the attack made upon the honorable and learned gentleman is that he has given an opinion regarding the rights of two States. The Commonwealth, at any rate, is not yet concerned in that dispute. How can any honorable member say that he has been guilty of any impropriety in accepting the responsibility of offering an opinion upon that question?

Mr. JOSEPH COOK.—Nobody has suggested that.

Mr. ROBINSON.—Then why has he been attacked? As honorable members are aware, a case as to riparian rights might easily arise, not between two States, but between two individuals. The very same question as would be considered if two States took action would then be debated. Indeed, most of these important cases are decided, not as between States, but as between individuals in two States. If a person in South Australia sought to ascertain what were his rights in connexion with the waters of the Murray, the Attorney-General would be quite justified in accepting a retainer from him, and in appearing in court upon his behalf. That being so, I hold that the honorable and learned gentleman has acted perfectly within his rights. His position is entirely in accord with professional propriety. Possibly honorable members may overlook the fact that under the Constitution lawyers labour under many disabilities. For instance, they are debarred from accepting any brief on behalf of the Commonwealth Government.

Mr. PAGE.—And a good thing, too.

Mr. ROBINSON.—It may be a good thing for those who are suing the Commonwealth, but it deprives the latter of the services of all the lawyers in the Commonwealth Parliament, and they include some of the ablest in Australia. That is a consideration which should not be overlooked.

Mr. DUGALD THOMSON.—The Constitution also debars mercantile men from contracting with the Government.

Mr. ISAACS.—It does not debar them from contracting with the States Governments.

Mr. ROBINSON.—I should like honorable members to recollect the discussion upon this very question which took place in the House of Commons some years ago. The result of that debate was that the salary of the Attorney-General was raised to £10,000 a year, in addition to which he receives fees upon all Crown briefs. The latter average about £8,000 a year.

Mr. THOMAS.—Does the Attorney-General in England receive a salary of £10,000 a year?

Mr. ROBINSON.—Yes. Altogether his emoluments run into about £18,000. All that has been said upon this question has merely confirmed my belief that the Attorney-

General has not done anything for which he can be blamed. I make that statement as one who has a perfect detestation of the honorable and learned gentleman's political methods. Nevertheless, I am bound to say that he has acted in this case with strict propriety, and if he continues to hold a retainer from the South Australian Government, he will be justified in appearing in Court upon its behalf, so long as the case possesses its present complexion. We must rely upon his good sense to relinquish that retainer when he thinks that his duties as counsel will clash with the interests of the Commonwealth.

Mr. ISAACS.—Even when I thought that there was any possibility of the two things clashing, I should relinquish it.

Mr. ROBINSON.—If the honorable and learned gentleman does not resign then, we have the power in our own hands to deal with him. I should be one of the loudest in my denunciation of any Attorney-General who accepted a brief in opposition to the interests of the Commonwealth Government.

Mr. MCCAY.—The honorable and learned member will denounce the Attorney-General when the offence has been committed.

Mr. ROBINSON.—I shall not be a party to debar any man—irrespective of whether he be in a large or a small way of business—from obtaining those rewards to which his ability and his merit entitle him. But while I say this in support of the Attorney-General's attitude, there is one matter to which reference has been made, and to which I desire briefly to address myself. I think that during the past few weeks, the Attorney-General has not paid honorable members upon this side of the House that courtesy to which they are entitled. Only the other day, we had a very important discussion upon the Trade Marks Bill. Some very subtle and learned criticisms of that measure were indulged in by the honorable and learned member for Angas, and the honorable and learned member for Corinella—criticisms that we had a right to expect the Minister would have listened to carefully, making notes upon them, and preparing to answer them. The whole of that criticism, however, by gentlemen whose abilities are well known, was delivered in the absence of the Attorney-General. I felt very keenly upon that matter, and I trust that conduct of that sort will not be repeated. If the same thing occurs again I shall assist in whatever steps may be taken to check the practice of which I com-

plain. Upon the main question, however, I see no impropriety in the conduct of the Attorney-General, or in his continuing to act for the South Australian Government until such time as the interests of the Commonwealth may be threatened.

Mr. SYDNEY SMITH (Macquarie).—I quite agree with the remarks of the honorable member for North Sydney regarding the attitude of the Government with respect to the Public Service Classification scheme. There is no doubt that a promise was made by previous Administrations that nothing would be done in that matter until an opportunity had been afforded this Chamber of discussing it, and of arriving at a definite decision. We all know that it is open to this Parliament to make any suggestions which it may deem desirable, and we may rest assured that those suggestions will receive consideration at the hands of the Public Service Commissioner. I claim, however, that it is due to the House that the Government should come down with some definite statement regarding their views upon that scheme. So far we have not had any intimation from them as to their attitude upon it. As a rule, I think that the Government should be the leaders of the House. In this connexion I was very much surprised at the action of the Treasurer last night. In the course of his Budget deliverance, when speaking of quite a number of matters, he failed to intimate the opinions of the Government upon them, and when pressed for those opinions, he replied that the Cabinet had not had an opportunity of considering the matters referred to.

Sir JOHN FORREST.—What were the questions to which the honorable member alludes?

Mr. SYDNEY SMITH.—I shall deal with them when the Financial Statement is under discussion. The Government appear to be waiting till they can ascertain what are the views of honorable members before committing themselves to any definite opinions.

Mr. FISHER.—What are the questions to which the honorable member refers?

Mr. SYDNEY SMITH.—The Public Service classification scheme is one. Then I understand that the Treasurer entertains a certain opinion in regard to the Braddon section of the Constitution. Upon important questions like these we should be told what is the attitude of the Government.

Sir JOHN FORREST.—There are a good many years to run yet. It will be five years before the Braddon section expires.

Mr. SYDNEY SMITH.—The time is rapidly approaching when it will be necessary for us to take some steps in that matter, especially in view of the small surplus in excess of the three-fourths of the Customs and Excise revenue which will be returnable to the States during the current year. As a matter of fact, that amount will be practically absorbed by interest upon the transferred properties, and by the establishment of a sinking fund. I think that the Government should submit some policy to the House upon matters of this sort.

Sir JOHN FORREST.—Why did not the Government, of which the honorable member was a member, submit a policy last year?

Mr. SYDNEY SMITH.—Through the treachery of my right honorable friend and a few others we were denied an opportunity of so doing. We came into office when most of the money provided for on the Estimates had been spent.

Mr. DUGALD THOMSON.—And the appeals against the classification had not been heard.

Mr. SYDNEY SMITH.—That is so. Since then the present Government have had an opportunity to consider the report of the Commissioner. The Treasurer knows that he hardly expressed a definite opinion on any one subject with which he dealt in his Budget statement. I have no hesitation in saying that the late Government would have clearly intimated its intention with regard to the Public Service Classification if it had had an opportunity to do so. These are matters, however, with which I shall deal more fully at a later stage. I am surprised that the Attorney-General should have intimated his determination to continue to advise the Government of South Australia in matters affecting the other States. No one could have taken exception to his holding a retainer for the South Australian Government as a private member, but there is great danger of the interests of the Commonwealth being neglected when its chief law officer acts as adviser to a State on a question that may ultimately affect the powers of the Commonwealth.

Mr. ISAACS.—How could the powers of the Commonwealth be affected by this case?

Mr. SYDNEY SMITH.—That has been fully explained.

Mr. ISAACS.—No one has yet explained it.

Mr. SYDNEY SMITH.—When an honorable member has made up his mind in regard to any matter, it is difficult to bring forward any facts calculated to induce him to take up a different attitude. The honorable member for North Sydney agreed that the Attorney-General had acted rightly up to a certain point, but that his determination to continue to advise the Government of South Australia in certain questions was unwise, as it might result unfairly to the Commonwealth. I indorse that view. I wish it to be clearly understood that in speaking in this way I am not influenced by any party spirit. The fact that we do not regard the matter from that stand-point is shown by the readiness with which some members of the Opposition have expressed their concurrence with the attitude of the Attorney-General.

Mr. JOHNSON.—The legal members of the Opposition.

Mr. SYDNEY SMITH.—Quite so. Although the Attorney-General has merely accepted a retainer to advise the Government of South Australia on certain questions, the acceptance of that retainer may lead to his holding a brief for that State.

Mr. ISAACS.—Not in any matter affecting Commonwealth interests.

Mr. SYDNEY SMITH.—The Attorney-General might advise the State on certain matters, and his advice might be eventually used against the Commonwealth. He ought to keep himself free from complications of this kind. The honorable and learned gentleman has said that if at any time he found that his acceptance of a retainer from the Government of South Australia imperilled the rights of the Commonwealth he would at once give up that retainer. But it might then be too late for him to withdraw. Proceedings might subsequently be taken by the State, on advice tendered by him, with very serious results to the Commonwealth. When I was a member of the State Legislature of New South Wales, two members of the then Government accepted a brief against the Crown, and the Parliament did not hesitate, notwithstanding that the Government of the day had a majority, to pass a resolution condemning their action. The result was that those members had to retire from office.

Mr. CHANTER.—Was not that a very different case from the one under notice?

Mr. SYDNEY SMITH.—I admit that it was, and have referred to it only to show that there is a danger of a time arising when the Attorney-General may find himself in almost the same position that those members of the State Parliament occupied. As trustees of the people, we are expected to keep ourselves free from anything that may conflict with our duties to the Commonwealth. I do not take exception to an honorable member acting for a State while he is not in office, but as soon as he takes office the position is different.

Mr. PAGE.—The Commonwealth is not involved in the case with which the Attorney-General is connected.

Mr. SYDNEY SMITH.—The rights of the Commonwealth may become involved at any time. There is a great deal of feeling between the Governments of South Australia, Victoria, and New South Wales relative to the waters of the Murray and the uses to which they may be put. The Attorney-General's own constituents are anxious that the rights of Victorians living near the banks of the Murray should be preserved, and yet the honorable member for Maranoa would allow him to continue to advise the South Australian Government, and eventually perhaps to accept a brief on behalf of that State in a case that might give rise to Commonwealth issues and result in great injury to the other States. I hope that even at this late stage the Attorney-General will withdraw from the position he has taken up. I express the hope with no feeling of hostility towards him. I have always held strong views on this question, and took a prominent part in the debate in the New South Wales Parliament relative to the case to which reference has been made.

Mr. THOMAS.—Why did not the honorable member call upon the late Attorney-General to return his retainer?

Mr. SYDNEY SMITH.—I was not responsible for his action, and should like to hear what he has to say with regard to the matter. I first heard of this case last evening, when the honorable member for Parramatta showed me a newspaper paragraph dealing with it. I do not for one moment impugn the honesty of the Attorney-General, but hold that he should withdraw from the case.

Mr. THOMAS.—Why did not the honorable member deal in this way with his late colleague?

Sir JOHN FORREST.—He could not. What could he have done against his colleague?

Mr. SYDNEY SMITH.—I was not aware at the time that he held a retainer from the South Australian Government. The Treasurer says that I could have done nothing against a colleague. It was no doubt a feeling of that kind that led him to remain a member of a former Administration, although, as he has told us, he had to eat a lot of dirt.

Sir JOHN FORREST.—I never said anything of the kind, and the honorable member ought to withdraw the statement.

Mr. SYDNEY SMITH.—I accept my right honorable friend's denial, but I know that he ate a lot of dirt while in office on a previous occasion.

Sir JOHN FORREST.—I could never eat as much as the honorable member has done if I lived a hundred years.

Mr. SYDNEY SMITH.—I have been twenty-four years in public life—

Sir JOHN FORREST.—Eating dirt all the time.

Mr. SYDNEY SMITH.—I defy the honorable member to point to any case in which I acted improperly.

Sir JOHN FORREST.—The honorable member has been grovelling all the time.

The CHAIRMAN.—Order! These interruptions must cease. I also appeal to honorable members to restrain their hilarity as far as possible, as it is difficult for the honorable member for Macquarie to proceed.

Mr. SYDNEY SMITH.—I have been in public life for twenty-four years, and no one can say that there is a mark against me.

Sir JOHN FORREST.—Those who live in glass houses should not throw stones.

Mr. SYDNEY SMITH.—I defy the right honorable member to point to any act of mine during my public career that reflects in any way upon me.

Sir JOHN FORREST.—And so with me.

Mr. THOMAS.—Will the honorable member for Macquarie—

The CHAIRMAN.—Will the honorable member for Barrier be good enough to observe the request I have just made? I must also ask the honorable member for Macquarie to address himself to the question before the Chair.

Mr. SYDNEY SMITH.—I am not going to allow any honorable member to impugn my honesty. The Treasurer must not think

that he is in the Parliament of Western Australia. When he was a member of that Legislature he used to tell honorable members that if they did not do what he desired they would be thrown out of Parliament.

Sir JOHN FORREST.—If we had the honorable member in Western Australia we should make him "sit up."

Mr. SYDNEY SMITH.—I think that the people of Western Australia will make my right honorable friend "sit up" when next he goes before them.

Sir JOHN FORREST.—If the honorable member throws stones at me he must expect me to throw some at him.

Mr. SYDNEY SMITH.—The fact that I have always been returned by large majorities, and that no one has been able to say anything against my character, enables me to hurl the insinuation back at the right honorable gentleman. I shall have something to say with regard to him when the debate on his Financial Statement is continued, and I shall postpone any further criticism I may have to offer until then. I only regret that the Minister lost his temper.

Sir JOHN FORREST.—If I did so, it was the honorable member's fault.

Mr. JOSEPH COOK.—Let the Treasurer alone; he now has to obey the caucus.

Mr. THOMAS.—As the honorable member for Parramatta used to do.

Mr. SYDNEY SMITH.—Honorable members in the Ministerial corner are very ready to gird at the honorable member for Parramatta. I have had a long association with him, and I have found that at all times he has had the full courage of his opinions, even to the point of objecting to sign the labour pledge in New South Wales. The respect in which the honorable member is held by the working classes is shown by the fact that he represents Lithgow, one of the strongest labour centres in New South Wales. It must be admitted that those with whom I have been associated in politics have done as much as have the members of the Labour Party for the working classes of New South Wales. We differ from members of the Labour Party as to methods, but we are as anxious as they are to further the interests of the people whom we represent. I rose for the purpose of entering my protest against the action of the Attorney-General in continuing to act as counsel for the South Australian Government. I believe that the Minister would best serve his own interests

and those of the Commonwealth if he determined to give it the benefit of his best abilities. The Murray River question seriously affects the interests of New South Wales and Victoria, as well as those of South Australia, and the Attorney-General should undoubtedly keep himself entirely free from all connexion with any particular State, in order that he may give the Commonwealth the very best advice upon this important matter.

Mr. WILKS (Dalley).—Some hours have elapsed since I moved my amendment, but the delay that has occurred may fairly be attributed to the absence from the Chamber of the Attorney-General during the early stages of the debate.

Mr. ISAACS.—I have been here for some hours, and yet the discussion has not closed.

Mr. WILKS.—That is because the Attorney-General was not only discourteous to his own leader, but, when he did attend here, flouted the House.

Mr. ISAACS.—That is not correct.

Mr. WILKS.—The Prime Minister informed us that he had telephoned to the Attorney-General, and that he expected him to reach the House very soon, but several hours elapsed before his appearance.

Mr. MAUGER.—On a point of order, I desire to know whether it is in order for an honorable member to indulge in vain repetitions. The statement now being made by the honorable member for Dalley has been repeated over and over again.

The CHAIRMAN.—Tedious repetitions are undoubtedly out of order, but I cannot say that the honorable member for Dalley has been guilty in that respect since he has risen on this occasion.

Mr. WILKS.—I am not in the habit of repeating my statements, and I can only attribute the interposition of the honorable member for Melbourne Ports to the influence of his romantic imagination. The debate has been distinguished by one or two striking features. Every honorable and learned member, except the honorable and learned member for Illawarra, has supported the position taken up by the Attorney-General, whereas, with one exception, every lay member of the House has condemned it. The question as to the position of the Attorney-General has not been raised as the result of any concerted action on the part of the Opposition. That has been definitely shown by the divergencies of opinion amongst its members. By introducing this matter, the honorable member for

Parramatta has performed a most valuable service to the Commonwealth, because it is important that we should adhere strictly to constitutional practice and procedure, and that the purity and proprieties of public life should be maintained in this Parliament as in the British Parliament. In England, the Attorney-General has not even a seat in the Cabinet, but is expected to act as the legal adviser of the Crown and the public of England. The Attorney-General of the Commonwealth should occupy a similar position. The honorable member for North Sydney showed that there was great probability of the interests of the State of South Australia and those of the Commonwealth overlapping in connexion with the Murray waters question, and urged that the Commonwealth should not be deprived of the advantage of an absolutely unbiased opinion from its principal legal adviser. It seems to me that the Attorney-General cannot, in justice to himself or the Commonwealth, retain his present position. It is important that we should preserve the purity of Government, and insure the proper conduct of public business. The Attorney-General has stated that if anything wrong occurred he would retire from his present position as counsel for the South Australian Government.

Mr. ISAACS.—I did not say that. What I said was that if there was any possibility of Commonwealth interests being affected, I would retire at once.

Mr. WILKS.—That amounts to an admission of the possibility of Commonwealth and State interests overlapping, and, surely it is important that the Attorney-General should be perfectly free to act in the best interests of the Commonwealth. If Senator Sir Josiah Symon was knowingly permitted to occupy a position similar to that now filled by the present Attorney-General, honorable members then in Opposition were to blame. It has been pointed out by the honorable member for Wannon that the Constitution precludes members of the legal profession, who are also members of this Parliament, from accepting briefs for the Commonwealth. There must have been some strong reason for inserting that provision, and equally strong arguments can be advanced in favour of prohibiting members of Parliament, and especially Ministers, from accepting briefs on behalf of those who are taking action against the Commonwealth. The Attorney-General holds a high and distinguished position at the Bar, but

he also occupies a high and distinguished position in this House, and I would ask him which position he respects the more?

Mr. ISAACS.—I respect both.

Mr. WILKS.—The Attorney-General must respect one position more than the other, and I take it that his greater respect is due to the position he holds here.

Mr. ISAACS.—I agree to that.

Mr. WILKS.—To my mind, there is imminent danger of a conflict between the public and private duties of the Minister. In moving the reduction of the Estimates by £1, I am merely imitating the action of the honorable and learned member for Indi some months ago, when he moved a reduction of 1s., so I am going 19s. better. I intend to force a division on the amendment. Those who are indorsing the action of the Attorney-General seem to look upon this as a mere party attack, whereas what we are contending for is the proper observance of right constitutional principles. The amendment is a protest against the action of the Attorney-General in continuing to hold a retainer for the South Australian Government. What he did anterior to his acceptance of office is no concern of mine.

Mr. WATKINS.—The honorable member moved the amendment before he heard the statement of the Attorney-General.

Mr. WILKS.—I moved it after I had heard the statement of the Prime Minister, and the speech of the Attorney-General gave me no reason for withdrawing it. Throughout the debate, we have been met with hostile interjections from the labour corner, but the honorable member for Darwin is the only member of the Labour Party who has addressed the Committee against the course which I am taking. The honorable member for Melbourne condemned the action of the Minister, and advocated the election of Ministers. He said that he was in accord with the honorable member for Parramatta.

Mr. ISAACS.—The honorable member is mistaken.

Mr. MAUGER.—The honorable member for Melbourne said that he would support the action of the Attorney-General while the present system lasted.

Mr. JOSEPH COOK.—He invited me to move a motion.

Mr. WILKS.—He probably thought that he could not vote for the amendment,

as it was a party one, but he is prepared to vote in condemnation of the action of the Attorney-General on a definite motion. I do not think that the deputy leader of the Labour Party has grasped the importance of the position.

Mr. FISHER.—The honorable member for North Sydney said that he would not vote for the amendment.

Mr. WILKS.—That shows that the Opposition are not governed by cast-iron rules, and that the amendment was not prompted by party motives. The members of the Labour Party will shortly have reason to seriously regret their action if they vote against the amendment.

Mr. CHANTER (Riverina).—I should not have risen had it not been for what fell from the honorable member for Macquarie, in regard to the rights of my constituents in respect to the River Murray. As I understand the position, it is this: A dispute has arisen between the States of South Australia and Victoria as to the right of Victoria to divert a certain volume of water from the Goulburn River. There is no probability of any conflict with the Commonwealth Government. The honorable and learned member for Werriwa quoted section 100 of the Constitution in support of this statement, but sections 99 and 101 also deal with the powers of the Commonwealth in this connexion. The Commonwealth may deal only with the navigability of rivers, which is to be controlled by a body—the Inter-State Commission—which has not yet been called into existence. The Attorney-General has been asked by the State of South Australia to give a legal opinion as to the rights of that State—not with the object of coming into conflict with the Commonwealth, but so that it may ascertain from the High Court of Australia what its position really is. I will read the sections of the Constitution to which I have referred, to show that there is no probability of any opinion given by the Attorney-General to the State of South Australia affecting at any time, in the slightest degree, the interests of the Commonwealth. Section 99 says—

The Commonwealth shall not, by any law or regulation of trade, commerce, or revenue, give preference to one State, or any part thereof, over another State, or any part thereof.

The Commonwealth has not enacted any such law or regulation, and there is at

present no intention to introduce legislation of that kind. Section 100 says—

The Commonwealth shall not, by any law or regulation of trade or commerce, abridge the right of a State or of the residents therein to the reasonable use of the waters of rivers for conservation or irrigation.

The Commonwealth has made no attempt, and is making no attempt, to interfere in this direction. As I have stated in my constituency, and my electors are in agreement with me in regard to the matter, the true solution of the difficulty lies in the taking of power by the Commonwealth to deal with the whole question.

Mr. KENNEDY.—The Commonwealth cannot do that, so far as the diversion of water is concerned, without the consent of the States.

Mr. CHANTER.—The Commonwealth has power over the water, but not over the banks. No doubt the work of his office demands as much time as the Attorney-General can give to it; but if he is to be denied the right to practice his profession, the same rule should apply to every member. In this matter there is, in my opinion, no difference between a member who does not happen to be a Minister, and one who is a Minister. It is very strange that, although the late Attorney-General received a similar retainer some months ago, we did not hear a word about the matter from the members of the Opposition until the present occasion.

Mr. JOSEPH COOK.—We did not know of it. I cannot find any one on this side who knew of it.

Mr. CHANTER.—The circumstances seem very peculiar; but I do not wish to engender any more heat. I cannot see the probability of the action of the Attorney-General in this matter conflicting with the interests of the Commonwealth. If I did, I should say that he should retire from office; but, under the circumstances, he is the best judge of his own conduct.

Mr. JOSEPH COOK.—He is the servant of Parliament.

Mr. CHANTER.—Yes; but while there may be a conflict as to their rights between the States of South Australia, New South Wales, and Victoria, I do not see how it can affect the Commonwealth. I hope that the debate will shortly close, so that we may get on with business.

Mr. LIDDELL (Hunter).—I knew nothing about this matter until I entered the Chamber to-day; but having listened

carefully to the opinions expressed, I have formed an opinion of my own, to which I now think it my duty to give utterance. I know nothing about the particulars of the dispute in question, and wish to sweep away all legal technicalities. In my opinion, there are too many lawyers in the House, and too few medical men. Lawyers look at questions from a point of view which differs from that of laymen, and by their subtle arguments, are apt to confuse those who have not studied law. I have endeavoured to look at this matter from the point of view of a layman. I gather that there is a dispute between two of the States, and that the Attorney-General—a gentleman of great eminence in his profession, with a reputation for legal learning second to none—has been retained by one of them; but, inasmuch as he is paid an exceedingly handsome fee to advise the Commonwealth on legal matters, I think that he should act for the Commonwealth alone, and not for any State. I regret that the average member receives by way of remuneration what is no more than a pittance—£400 a year. But a Minister of the Crown receives the handsome sum of £2,000 per annum. I do not consider that that sum constitutes merely a reimbursement to him, as does the smaller amount, which is received by a private member.

Mr. ISAACS.—The amount mentioned by the honorable member is a little more than a Minister gets.

Mr. LIDDELL.—It is not more than he deserves. A Minister should regard his salary as a payment for his services, and when he accepts office—whatever his position in life—he should be prepared to devote the whole of his time and energies to the service of the Commonwealth. I regret that, under existing conditions, many of the representatives of other States, who are poor men, are obliged to abandon their means of livelihood, because they have to reside in Melbourne during the parliamentary session, whereas the Victorian representatives are able to carry on their ordinary vocations. I merely desire to point out to the Attorney-General that, as he is retained by the Commonwealth his first duty is to the Commonwealth. In the action that he has taken he is establishing a precedent which will be quoted in the years to come. This amendment will be pressed to a division. Of course the Attorney-General will be supported by the members of the Labour



Party, who realize that if the division went against the Ministry they would be compelled to face their constituents. It is a singular fact that all through this debate members of the Labour Party have practically remained dumb. Only one or two of them have had the courage to express their opinions, notwithstanding that throughout the length and breadth of the country this discussion is being watched with the keenest interest. I hold that the Attorney-General, like Cæsar's wife, should be above suspicion, and if only two, three, or four members vote for the amendment, I trust that he will retire from his position as legal adviser to the South Australian Government.

Mr. KENNEDY (Moira).—Honorable members opposite seem to experience some feelings of annoyance because those sitting upon this side of the Chamber have not regarded the question that has been raised very seriously. The charge levelled against the Attorney-General is simply a reflection upon their own intelligence and "up-to-dateness," because full publicity was given to this matter in the press some three months ago. At that time paragraphs appeared in the Melbourne newspapers mentioning the names of the counsel who had been retained on behalf of South Australia in this particular case.

Mr. HENRY WILLIS.—Was not Parliament in recess at that time?

Mr. KENNEDY.—Parliament was not in recess when the late Government were turned out of office. It was prior to that time that the announcement appeared in the public press, and it is a singular circumstance that members of the Opposition only discovered the facts of the case to-day. I am of the same opinion now as I was when I first read the statement in the newspapers concerning the position occupied by the present Attorney-General and his predecessor in office. I see nothing wrong in their acceptance of a retainer to advise the representatives of a State in regard to its claims upon another State. The same conflict of opinion might arise in respect of the riparian rights of a private individual. I regard the exhibition which has been indulged in this afternoon merely as a waste of time that has been promoted for party purposes. That is my candid opinion.

Mr. WILSON.—Then the honorable member agrees with the Attorney-General.

Mr. KENNEDY.—Yes. It is strange that not one legal member upon the oppo-

site side of the Chamber is to be found supporting the action of the deputy leader of the Opposition. Of course, the honorable member for Robertson is prepared to discount all their opinions, but upon constitutional questions, to whom must we look for light and leading? Undoubtedly, to the legal members of the House. As I understand it, the position is that a question has arisen between South Australia and Victoria regarding an alleged improper diversion by the latter State of water from the river-bed of the Murray. South Australia has objected to that diversion, and has sought legal opinion as to the rights of the Victorian Government under its Constitution. It may be that the rights of New South Wales will also come under consideration. As I understand the situation, there is no possibility of the interests of the Commonwealth being involved in the diversion of those waters, except so far as the navigability of the river is concerned, and that question has not arisen up to the present time.

Mr. HENRY WILLIS.—Does not the Constitution say something about the "reasonable use" of the waters?

Mr. KENNEDY.—Yes. The rights of the States, or of individuals must not be abrogated for irrigation purposes, except so far as the "reasonable" use of the waters is concerned. The language is necessarily vague.

Mr. HENRY WILLIS.—That is where the trouble comes in.

Mr. KENNEDY.—But that trouble has not arisen. It is a disadvantage to all the States that up to the present time they have not come into line upon this particular question. Although various attempts have been made to bring them into line by placing the water for irrigation purposes under the control of the Commonwealth Government, no finality has been reached. The position is that South Australia has eventually decided to resort to the Courts to determine once and for all what are her rights in respect to the waters of the Murray. Until that judgment has been obtained, there can be no possibility of Commonwealth interests being concerned. Until there is a conflict of interests between the States and the Commonwealth I see no justification for any charge being levelled against the Attorney-General for accepting a retainer for his advice. It would be equally just to level a charge against him for accepting a retainer from an individual whose riparian

rights were concerned. There is not the remotest probability of any Commonwealth interest being threatened whilst this question is under consideration. Consequently I have no sympathy with the charges which have been directed against the Attorney-General, and I regard the present debate as a pure waste of time which has been prompted only by party considerations.

Mr. JOSEPH COOK (Parramatta).—I wish to say one or two words before the Committee goes to a vote upon this question. Honorable members have been talking all round it to-night, and particularly the legal members who take sides with the Attorney-General. Nobody has made any charge against the honorable and learned gentleman.

Mr. ISAACS.—This motion is intended as a vote of censure upon me.

Mr. JOSEPH COOK.—My position is that if the honorable and learned member had not stated to-night that he intended to accept a further retainer from the South Australian Government, I should have taken no steps whatever in the direction of pressing this amendment to a division. But since he has declared his intention to accept a further retainer from the State of South Australia, I presume that he is at liberty to accept one from any State in the Commonwealth. The matter therefore becomes a very serious one, and I will show why. Honorable members will recollect that some time ago this question was raised in the House by the honorable member for North Sydney in connexion with the scheme which is being carried out at Waranga Basin. He put some questions to the then Minister of Home Affairs relating to the very matter which we are now debating.

Mr. SYDNEY SMITH.—Who was the Minister of Home Affairs at the time?

Mr. JOSEPH COOK.—The honorable member for Hume. The first question reads as follows—

Mr. ISAACS.—What is the reference?

Mr. JOSEPH COOK.—The question is to be found upon page 16060 of *Hansard* for 1902. The first question reads—

Whether in the preservation of navigation it is not the right and the duty of the Commonwealth to inquire into and approve or oppose, as inquiry may justify, State enterprises for the storage or abstraction of the waters of navigable rivers or their affluents?

In reply, the Minister said—

I believe it is the constitutional right, and it the navigability was to be interfered with it is the duty.

Then in answer to a second question, the Minister said—

There is no necessity for inquiry unless it is apparent that the effect in No. 1 question will be produced.

Mr. ISAACS.—That is exactly the position which I have been putting.

Mr. JOSEPH COOK.—It was laid down by the Minister who answered these questions, that it was possible that circumstances might arise in connexion with these States schemes which would justify the Government in making inquiries upon their own account, and possibly opposing or approving any of the schemes. That is the whole case I have to put against the Attorney-General. In the very scheme now under discussion, as between the States there may come a point, and that speedily, at which the navigability of the river may be interfered with, and then, according to the dictum already given by this Government, it will be the obligation of the Attorney-General to interfere, and either to approve or oppose that scheme. I hold that the Attorney-General, if he accepts fees from one of these contending parties, cannot be in a position of absolute independence to take action on behalf of the Commonwealth, and in defence of its rights. That is the whole case. No one wishes to make any charge against the Attorney-General. My sole object is to prevent any such scandals arising as have already occurred in the history of Australia. It will be too late when this conflict of opinion does arise for the Attorney-General to shape his course. He would then be in this position: that he had taken a fee from and consented to be retained by the South Australian Government, and had acted for them right up to the point at which it was sought to give effect to the object for which that retainer had been given. Then, when the State was on the point of taking the action in respect of which they had retained him, he would leave them in the lurch. From the purely personal point of view that is a position from which the honorable member ought, if possible, to escape. If he accepts retainers from the States and acts for them until proceedings in the Court become necessary, he incurs a moral obligation to stand by them, after taking their hard cash.

Mr. FISHER. — The honorable member ought to ask the lawyers about that moral obligation.

Mr. JOSEPH COOK.—No doubt they would express a different opinion. The Attorney-General will probably say, in reply, that he has been retained only to give an opinion. We have to remember, however, that the action of the State of South Australia may be shaped on that opinion—that the action taken upon that opinion may be one that will bring the States into conflict with the Federal Government.

Mr. KELLY.—For what reason is the State seeking the opinion of counsel?

Mr. JOSEPH COOK.—As the honorable member reminds me, the very opinion itself may give rise to an action between the States, which may lead to the Commonwealth Government coming into the issue at any time. In order to escape from that position the Attorney-General ought not to accept retainers from the States. He cannot be in an independent position, so far as the Commonwealth is concerned, so long as he is in the power and the pay of the Governments of the States.

Mr. ISAACS (Indi—Attorney-General).—I have listened for a good many hours—

Mr. WILKS.—For an hour and a half.

Mr. ISAACS.—It seemed like a week and a half, especially when the honorable member was speaking. But I have listened for hours to observations by a very few honorable members in opposition to the views I expressed this afternoon. There is one matter that is very evident. It is a perfectly hollow pretence for honorable members to assert that had I been here at an earlier stage the discussion on this question would have been concluded long ago. I have been in the Chamber for hours, and the matter is still under discussion. It is a mere pretence for honorable members opposite, who are responsible for the waste of public time that has taken place, to hold up as an excuse for this prolonged discussion the fact that I was not here this afternoon when the question was first raised. This is an attempted vote of censure on myself, and so strongly do I feel that that is so, that I shall not vote upon the question. It is also an attempt to injure the Government to which I belong, although I have to express my indebtedness to most honorable members opposite who have spoken—I cannot say this of all—in that no element of personal feeling has been introduced by them. I wish to acknowledge that fact. The matter has

been put very fairly indeed—although erroneously, I think—by most honorable members who have challenged my position. I make that statement with unaffected sincerity. Some honorable members, like the honorable member for North Sydney, have spoken more than fairly—they have spoken generously; but I do not wish to take shelter behind any good feeling that has been exhibited or any sentiments of personal regard for myself. I desire to deal with this question on its merits. It is the duty of every public man to be prepared to meet any such challenge as this; but the honorable member for Parramatta, who admits that he learnt of this matter last Friday, would have acted more fairly towards me if he had drawn my attention to his complaint at an earlier date, so that I might have been in my place to-day when the question was raised. As a matter of fact, I did not hear a word about it until 2.35 this afternoon, when I could not possibly leave the Court in which I was engaged. I wish to say that my constituents and my colleagues know full well that I am not in a position to give up the whole of my practice at the Bar. I cannot do it. When we hear of the Attorney-General of the United Kingdom refusing to engage in private practice, we ought not to forget that he receives many thousands a year in fees, in addition to his salary, as compensation for that sacrifice.

Mr. KING O'MALLEY.—£10,000 a year.

Mr. ISAACS.—The Commonwealth cannot afford to make any such allowance, and I cannot afford to give up the whole of my private practice. Honorable members must not think for one moment that I do not lose a very great deal in consequence of the demands which my public duties make upon me. I give up much of my practice, but cannot sacrifice the whole of it. I wish honorable members to understand that I should lose the whole of my practice if it were thought that I could spend only half the day in Court. I think honorable members will bear me out when I say that I have not failed to do a very fair share of the work of this Parliament since I have been a member of the Government.

HONORABLE MEMBERS.—Hear, hear.

Mr. ISAACS.—It is not only when the House is sitting that I am attending to my parliamentary duties; honorable members have evidence before them that I devote a considerable portion of my time to the work of the House when I am outside of it. It is

fair to me, and to those who send me here, that I should make this statement. If I am not present at the opening of the House, it does not follow that I am neglecting the work of the Parliament. I was not present the other day when the honorable and learned member for Corinella and the honorable and learned member for Angas spoke. My absence was not due to any disrespect to them, and I may say at once that I have carefully scanned their observations, and that they will have my best attention. Honorable members must understand that it is out of no disrespect to this Chamber that I am not always present at the opening of the House. Coming to the question immediately before us, I wish to say that if I have taken up an improper position, honorable members will at once be able to show that that is their opinion. If it be a right position, I can have no justification for refusing to give my advice and opinion to the Government of South Australia unless I can offer them some fair, recognised reason for that refusal. But if my position in regard to that State were to bring me ever so slightly, or by any possibility, into conflict with my duty as Attorney-General of the Commonwealth, the State of South Australia would have to stand aside so far as I was concerned.

Mr. KING O'MALLEY.—And so with Victoria.

Mr. ISAACS. — Exactly. Honorable members will recognise that it must be a strong feeling of duty that impels me to accept a retainer from South Australia in a case against Victoria, the State to which I belong. The position occupied by counsel at the Bar is a public one. He must not pick and choose his clients. When a client offers him a retainer, unless he has some fair and justifiable reason for refusing it, he is bound to give him his assistance as well as he can. In these circumstances, I was compelled to accept the retainer of the South Australian Government, and unless, as I say, the paramount duty that I owe to the Commonwealth is imperilled, or may be imperilled—I shall go as far as that—I have no right to reject that retainer, and do not intend to do so.

Mr. CONROY.—The reason for that is a very good one; it is to prevent men being prejudiced by the refusal of counsel to take up their cases.

Mr. ISAACS.—Certainly. With regard to the position of the Attorney-General of

the Commonwealth, I wish to repeat that if at any moment it appears to me possible that a question may bring me into conflict with my duty as Attorney-General, or if at any moment it appears to me possible that my opinions in the future, which I am bound to tender to the Government of the Commonwealth, may be affected by anything I do with regard to the South Australian, or any other case, my duty as Attorney-General must prevail, and everything else will have to go. That position has not arisen, and so far as I can see, cannot arise. The very quotation which the honorable member for Parramatta read a few moments ago justifies me more than anything else which has been said in the course of this debate. On the 24th September, 1902, the honorable member for North Sydney put a question to the Minister of Home Affairs with regard to irrigation works. The question to which the honorable member for Hume, who was then Minister of Home Affairs, had to reply was—

Whether, in the preservation of navigation—

That is the whole key-note—

it is not the right and the duty of the Commonwealth to inquire into, and approve or oppose, as inquiry may justify, State enterprises for the storage or abstraction of the waters of navigable rivers or their affluents?

The whole point hinges on what is "the preservation of navigation." The answer made by the Minister was—

I believe it is the constitutional right, and if the navigability was to be interfered with, it is the duty.

Then in the second answer he said—

There is no necessity for inquiry, unless it is apparent that the effect in No. 1 question will be produced.

That effect is an interference with navigation. That is the point that I have been seeking to put before the House. The question between South Australia and Victoria and New South Wales does not relate to navigation.

Mr. JOHNSON.—Navigation may be involved.

Mr. ISAACS.—It can never be involved as between those States. When I was a member of the Convention—and this can be proved by reference to *Hansard*—I made a very lengthy speech in the interests of New South Wales as a State having rights over the river, insisting upon its rights to the use of its waters for conservation and irrigation, and for the

development of the continent. I believe that largely through my efforts on that occasion, section 100, conceding the reasonable rights of the States in this respect, was inserted in the Constitution. I am not forgetful of all that, but the question between South Australia and the other States is, "What are the relative rights of the various States? Outside the Commonwealth rights and powers, what are the relative rights of the States as between themselves, considering them to be individuals"? No decision on that point, so far as I can see, can possibly affect the paramount right of the Commonwealth as to navigability. There is no subtlety about that. It is a plain, straightforward position. I desire to say that when the honorable member for Parramatta moved a vote of censure to-day without giving me any fair warning—

Mr. JOSEPH COOK.—I moved no vote of censure.

Mr. ISAACS.—Some honorable member did, and the honorable member for Parramatta supported it more vigorously than did any one else.

Mr. WILKS.—The Government whip knew what we intended to do at 1 o'clock to-day, and was asked to communicate with the Attorney-General.

Mr. ISAACS.—I am not in a position to know anything about that.

Mr. JOSEPH COOK.—He knew as soon as we did.

Mr. ISAACS.—Although this is a vote of censure against me, I heard an observation which fell from the honorable member for Hunter to-night, that seemed to me to be more serious even than any observations made regarding myself. I am happy to say that no impeachment of my honour has been made here, but there was an impeachment of the honour of the Labour Party to-night on the part of the honorable member for Hunter, which I was very sorry to hear.

Mr. PAGE.—What did he say?

Mr. ISAACS.—He said that the Labour Party would vote in favour of the amendment if they were not afraid of a dissolution.

Mr. LIDDELL.—So they would.

Mr. ISAACS.—I want to say that I hope no vote will be cast for me on that ground. I trust that if there is any vote to be cast for me, it will be free from any such overwhelming and dishonorable considerations.

Mr. JOSEPH COOK.—The vote will be cast not for the Minister, but against us.

Mr. FISHER.—It will be cast on the lines of common sense.

Mr. ISAACS.—I do not propose to make any observations with regard to that. I am in the hands of the House. I have tried to do what I think is right, and I have put my position clearly and fairly before honorable members, and it is for them to act as they think proper.

Mr. JOSEPH COOK (Parramatta).—The Attorney-General has accused me of not having given him fair notice of my intention to follow the course adopted to-day. When I came to the House I had no idea of raising this question in connexion with the Supply Bill. That did not occur to me until nearly midday. Even when I came to the conclusion that that would be the proper course to adopt, I did not anticipate that the whole evening would be taken up in a debate of this kind. I thought that the Attorney-General would be here, that I would state the case from my point of view, that he would reply, and that there the matter would end.

Mr. ISAACS.—A question upon the notice-paper would have obtained all the information necessary.

Mr. JOSEPH COOK.—I do not think so. I think that we are obtaining information as the discussion proceeds. We have not yet derived as much information as we should have done. The moment that I decided to raise this question, I asked the honorable member for Dalley to see the honorable member for Bourke, the Government whip, and request him to ring up the Attorney-General at once and let him know that it was likely that the matter would be mentioned in the House. Those are the whole facts of the case. Had I decided at an earlier stage to raise the matter, I should certainly have given the Attorney-General notice instanter.

Mr. HUME COOK.—The honorable member's statement is perfectly true, but I was unable to find the Attorney-General.

Mr. JOSEPH COOK.—The Attorney-General has spoken again to-night with regard to the waste of time that goes on in this House.

HONORABLE MEMBERS.—Hear, hear.

Mr. JOSEPH COOK.—Some honorable members are, no doubt, entitled to approvingly say "hear, hear"; but it does not lie in the mouth of the Attorney-General, who is hardly ever in the Chamber, to make any remarks upon that subject. He comes here from the Law Courts, and begins to lecture the House as to how it should go on with

the business. Whoever may have a right to speak in that way, it is not the Minister, who is here so infrequently. The moment he enters the House he sets up like a school-master, and begins to talk to honorable members as if they were children, asking them to do "men's work." It strikes me that he is himself doing three or four men's work, and is, therefore, not a good judge of a fair day's work for one man. I commend the Attorney-General's position in that respect to members of the Labour Party, who so strongly advocate a fair proportion of work for every individual in the community. The Attorney-General stated that if he found that his Federal duty as Attorney-General conflicted with his private duty, that instant he would terminate his connexion with the State of South Australia. But I would point out that this is a matter that should not be left to the sense of honour of the Attorney-General. It is a question for the House to determine. The Attorney-General is the servant of Parliament.

Mr. ISAACS.—The honorable member has said that for the fourth time.

Mr. JOSEPH COOK.—I shall say it for the fifth time, if I think fit. I would advise the Attorney-General to be a little less impertinent. He has done nothing but insult honorable members on this side of the House, and myself in particular. I care nothing for his insults. I believe that I am doing my public duty, and all the honorable and learned gentleman's insults will not deter me from pursuing the course that I regard as right. The Attorney-General is not to be the judge in this matter.

Mr. ISAACS.—That is why I am not going to vote.

Mr. JOSEPH COOK.—It is not sufficient for the Attorney-General to say that he will retire from the position he now occupies if he finds that a conflict of interests is likely to occur. We know that he is a perfect martyr to duty. He has said that he could not, under any circumstances, refuse to perform his patriotic duty to South Australia; but I venture to say that if he did not perform that duty, there are plenty of other lawyers in the Commonwealth not bound by the same limitations and obligations, who, somehow or other, would be able to get through with the work. However, that is a purely personal phase of the matter into which I do not wish to enter. I shall leave the matter in the hands of the House, after repeating that it is not fair to the Commonwealth for a

Minister to be in the pay of the Commonwealth Government and also in the pay of a State Government in connexion with matters which may at any time bring the State and the Commonwealth into conflict.

Mr. LIDDELL (Hunter).—The Attorney-General has done me the honour to take exception to one of my remarks, and I appeal to him to be guided in this matter entirely by his own conscience, and not by the numerical value of the votes that may be cast in the division which is about to take place. I repeat that the Labour and Socialistic Party dare not vote according to their consciences on this question. The Attorney-General may be attracted by shekels, but they are bound by the shackles they themselves have forged—the shackles that they are endeavouring by legislation to forge upon the Commonwealth. I say that they dare not at the present juncture of affairs give any vote that would be inimical to the Government.

Mr. MAUGER.—I rise to a point of order. Is it in order for any honorable member to say that any section of honorable members in this House are not in a position to vote according to the dictates of their consciences?

The CHAIRMAN.—I do not think it is in order to use any expression from which it could be inferred that an honorable member dare not vote in accordance with his conscience.

Mr. LIDDELL.—If I have said anything I should not have uttered I apologize and withdraw. I cannot, however, help giving expression to my feelings, and I repeat that the Labour Party cannot afford at this juncture to give a vote which would be inimical to the Government which they support. When they first entered this Parliament they maintained that they would hold the balance of power, and cast out of office any Government that did not obey what they were pleased to call the will of the people.

Mr. FISHER (Wide Bay).—Honorable members are very much mistaken if they think that I am going to work myself into a flurry or a temper owing to what the honorable member for Hunter has said. The members of the Labour Party do not vote according to their consciences, but according to their judgment. Some honorable members have convenient consciences, which allow them to do anything or say anything, whilst their judgment remains dormant. So far as I am personally concerned, I have not held any conversation

with any members of the party with regard to the matter under discussion. No consultations have been held, and members are free to vote as they please. The best evidence of the strength of the position occupied by the Attorney-General has been afforded by honorable members opposite. The honorable member for Werriwa and the honorable member for North Sydney—one of the ablest members of the Opposition—support the Attorney-General.

Mr. JOSEPH COOK.—No; the honorable member for North Sydney opposes the Attorney-General.

Mr. ISAACS.—He admits that there is nothing wrong.

Mr. FISHER.—The honorable member for North Sydney stated that he would not vote for the amendment.

Mr. JOSEPH COOK.—But he said distinctly that he thought the Attorney-General ought not to accept any more retainers.

Mr. FISHER.—He said most clearly that he thought it would be an error of judgment on the part of the Attorney-General if he renewed his retainer; but he did not consider that he had gone further than he was justified in doing, if his own judgment was in opposition to that of the honorable member. So far as I know, a number of members of the Opposition are opposed to the action taken by the most militant spirits of that party, and I judge from present appearances that probably not more than half of the members of the Opposition will support the amendment. As a matter of fact, an amendment of this kind becomes a vote of censure, and I would ask whether it is necessary to take such action in order to bring a question of this character to an issue.

Mr. JOSEPH COOK.—We never thought of such a thing as a motion of want of confidence.

Mr. FISHER.—The honorable member knows that that is what is meant by the action taken on this occasion.

Mr. JOSEPH COOK.—It only means that because the Attorney-General so regards it at this last moment.

Mr. FISHER.—Honorable members bait a Minister, and then if he will not do exactly what they want they direct the whole strength of their forces against him and the Ministry with which he is connected. What Government and what Minister would be worth supporting who would conciliate an Opposition which had pursued tactics of that kind? They first use every parliamentary means to humiliate the Minister

in the eyes of the House and of the public, and then, because he will not concede the points which they wish to gain, they take the most extreme course open to them. I do not know what view the other members of the Labour Party take, but I trust that they hold the opinion in regard to this matter that I hold, and will vote against the amendment.

Question—That the proposed vote be reduced by £1—put. The Committee divided.

Ayes	...	...	...	10
Noes	...	...	...	33
Majority				23

#### AYES.

Cook, J.	Willis, H.
Edwards, R.	Wilson, J. G.
Johnson, W. E.	
Kelly, W. H.	<i>Tellers:</i>
Liddell, F.	Fuller, G. W.
Lonsdale, E.	Wilks, W. H.

#### NOES.

Bamford, F. W.	Maloney, W. R. N.
Bonython, Sir J. L.	Mauger, S.
Brown, T.	McCay, J. W.
Carpenter, W. H.	McDonald, C.
Chanter, J. M.	O'Malley, King
Chapman, A.	Page, J.
Culpin, M.	Poynton, A.
Deakin, A.	Spence, W. G.
Ewing, T. T.	Storror, D.
Fisher, A.	Thomas, J.
Forrest, Sir J.	Thomson, D. A.
Fowler, J. MacK.	Watkins, D.
Frazer, C. E.	Wilkinson, J.
Fysh, Sir P. O.	
Gibb, J.	<i>Tellers.</i>
Groom, L. E.	Cook, J. N. H. H.
Higgins, H. B.	Tudor, F. G.
Kennedy, T.	

Question so resolved in the negative.

Amendment negatived.

Original question resolved in the affirmative.

#### In the House:

Motion (by Sir JOHN FORREST) proposed—

That the Standing Orders be suspended in order to enable all steps to be taken to obtain Supply, and to pass the Supply Bill through all its stages without delay.

Mr. JOSEPH COOK (Parramatta).—I should like to hear from the Treasurer a reason for the suspension of the Standing Orders. If there is no urgency, we should not pass this motion.

Sir JOHN FORREST.—It is the invariable practice to suspend the Standing Orders for the passing of a Supply Bill.

Mr. JOSEPH COOK.—I do not think so. I could understand the suspension of the Standing Orders if we were near the end of the month. In my opinion, we are apt to treat this matter too lightly. I do not think that we should suspend our Standing Orders unless reasons of real urgency make it imperative to do so.

Sir JOHN FORREST.—We want Supply.

Mr. JOSEPH COOK.—At once? To-morrow?

Sir JOHN FORREST.—Yes.

Mr. JOSEPH COOK.—If the Treasurer says that this is a matter of urgency, I have no more to say, but I think that he should advance some reason for so grave a step as the suspension of the Standing Orders.

Sir JOHN FORREST (Swan—Treasurer).—As the honorable member is aware, Supply was taken in July for one month only, and as we are now nearing the end of August, we want another advance to meet the payments which come due in all parts of this vast Commonwealth within a few days. The obtaining of Supply is a matter of urgency.

Mr. LONSDALE (New England).—I do not think that the Minister has advanced any strong reasons of urgency for the suspension of the Standing Orders.

Mr. SPEAKER.—The honorable member reminds me that the Treasurer has replied; therefore the discussion of the motion is closed.

Question resolved in the affirmative.

Resolution of Committee of Supply reported.

Motion (by Sir JOHN FORREST) proposed—

That the report be now adopted.

Mr. CONROY (Werriwa).—I regret extremely that the suspension of the Standing Orders was agreed to.

Mr. SPEAKER.—The suspension of the Standing Orders having been agreed to, the matter cannot be further discussed. The question now before the Chair is the adoption of the report of the Committee of Supply.

Mr. CONROY.—I think that I shall be in order in giving reasons why we should not proceed further by adopting the report. I should have objected to the suspension of the Standing Orders had not the Minister's action in closing the debate precluded me from doing so, on the ground that the Government should not be given Supply until two important matters, both of them affecting New South Wales, had

been dealt with. Under the Constitution Act the Federal Capital must be established in New South Wales, but the present Government has refused to proceed with the matter in any way. The State is also entitled, as statistics show, to an additional representative in this House, but the Ministry refuse to state whether it is to be given that additional representation.

Mr. DEAKIN.—The Bill will be in the hands of honorable members to-morrow.

Mr. CONROY.—Had I been aware of that, I should not have objected to the motion.

Mr. JOHNSON (Lang).—When we were asked to pass the last Supply Bill, I asked the Treasurer whether he would in future circulate similar measures amongst honorable members at least twenty-four hours before the time set down for their discussion. As far as my memory serves me, the Treasurer gave the House an assurance that that would be done.

Sir JOHN FORREST.—Copies of the Bill were circulated this morning.

Mr. JOHNSON.—At any rate, a copy of it has only just been placed in my hands. But even if the measure was circulated this morning, I would point out that under ordinary circumstances we should not have been called upon to deal with it immediately the House met to-day. I protest against honorable members being asked to pass a measure involving an expenditure of £363,283 without being afforded a reasonable opportunity of perusing the items which it contains.

Sir JOHN FORREST.—The Estimates are now upon the table.

Mr. JOHNSON.—But when we are asked to pass a temporary Supply Bill we have a right to the fullest information concerning the various items which it contains. I protest against the action of the Government, and if it is repeated I shall feel myself perfectly justified in using every legitimate means in my power to block the granting of Supply.

Mr. JOSEPH COOK (Parramatta).—I was given to understand by the Treasurer earlier in the evening that this Bill contains nothing beyond provision for the ordinary services of the Commonwealth. That being the case, I think that we might very well allow it to pass through its remaining stages with the utmost possible despatch.



Question resolved in the affirmative.

Resolution adopted.

Resolution of Committee of Ways and Means, covering resolution of Supply, adopted.

*Ordered—*

That Sir John Forrest do prepare and bring in a Bill to carry out the foregoing resolutions.

Bill presented by Sir JOHN FORREST, and read a first and second time.

*In Committee—*

Clauses 1 to 4 agreed to.  
Schedule.

Mr. BROWN (Canobolas).—I should like some information from the Minister of Home Affairs in regard to item No. 7, page 6, "Cost of Commonwealth elections, £300." To what does this expenditure relate?

Mr. GROOM (Darling Downs—Minister of Home Affairs).—The amount in question represents the balance of some claims which have been paid to certain returning officers. Certain claims were sent in and were allowed, and the sum mentioned covers the payments which have been made to the officers in question.

Mr. BROWN (Canobolas).—From the explanation given by the Minister, I am inclined to think that this item relates to a matter which created a considerable amount of trouble in the Home Affairs Department immediately after last election. It was alleged that both in New South Wales and Victoria a promise was made that a bonus of £20 would be given by the Department to the Divisional returning officers. A considerable amount of correspondence ensued, and certain representations were made to the Minister in charge of the Department at that particular period. Indeed, I believe that he received a deputation of returning officers in Sydney in reference to it. I do not know what decision was finally arrived at, or whether it was resolved to give those officers the £20 bonus, but I understand from some information which I recently obtained, that where they could show out-of-pocket expenses to the amount of £10 they were reimbursed to that extent. I hope that this matter will be debated fully when the Estimates are under review. In the meantime, I ask the Minister of Home Affairs to carefully look into the papers relating to it with a view to ascertaining whether these officers are not entitled to the amount claimed.

Mr. GROOM (Darling Downs—Minister of Home Affairs).—The matter to which the honorable member refers was, I understand, decided by my predecessor. Several of these claims have since been presented, and have been determined in accordance with his decision. The honorable member will have an opportunity of again referring to this subject when the Estimates are under discussion, and if he will notify me of his intention to refer to it, I will have the papers in readiness, and be in a position to give him a complete answer.

Mr. PAGE (Maranoa).—I wish to know from the Minister whether this item of £300 is intended as payment of the bonus which was promised by the Minister of Home Affairs in the previous Deakin Administration to the divisional returning officers. At the last election, the returning officer in my constituency was promised a bonus of £20 for carrying out the arrangements in connexion with the election in a satisfactory manner, and because he was outside the civil service. Soon afterwards, however, a change of Government took place, and through some wonderful calculation, the returning officers, instead of receiving the £20 which had been promised them, were paid £13 for their half-year's salary, and were given a gratuity of £7.

Mr. JOHNSON.—There was a distinct breach of faith committed.

Mr. PAGE.—Undoubtedly there was.

Mr. JOHNSON.—There is no doubt that the promise was made.

Mr. PAGE.—I am certain that it was. If the Minister feels disposed to argue the point, I ask him how the returning officers became possessed of the additional £7, if no mention of a bonus had been made. The least that a Government can do is to respect its pledges.

Mr. GROOM (Darling Downs—Minister of Home Affairs).—The honorable member for Maranoa complains of a decision which was arrived at some time ago in connexion with certain returning officers. I can only pledge myself to look into the matter with a view to ascertaining whether the promise alleged was made. I have not the official papers before me at the present time. The item to which attention has been drawn represents simply the balance of the expenses incurred in holding the last Commonwealth elections. I know that certain personal out-of-pocket expenses have been paid to returning officers, but probably there is some other question behind that which was decided by my predecessors.

Mr. PAGE.—If the Minister finds that a bonus was promised to the returning officers, will he respect it, even though it was not a written promise?

Mr. GROOM.—I can only ascertain if a promise was made, by whom it was made, and the character of that promise. I cannot say that I will honour any promise which may have been made by an officer irrespective of whether or not he had authority to make it on behalf of the Commonwealth.

Mr. PAGE.—It was made by a responsible Minister.

Mr. GROOM.—If the Minister in charge of the Department had made any promise, I feel sure that it would have been kept.

Mr. PAGE.—But he went out of office.

Mr. GROOM.—I promise to look into the matter.

Sir JOHN FORREST.—I shall also look into it.

Mr. GROOM.—I assure the honorable member for Maranoa that I and my colleague the Treasurer will look into the whole question.

Mr. PAGE.—I am satisfied with that assurance.

Mr. LONSDALE (New England).—I was one of a deputation which waited on the Minister in regard to this question, and believe the honorable gentleman will find it very difficult to ascertain by whom the promise was made, for no record can be found of it. The fact that returning officers in all parts of the Commonwealth—so situated that they could not have communicated with each other on the subject—agree that they were promised this bonus of £20 should be sufficient to show that such a promise was made.

Mr. BROWN.—Some of them retained the money.

Mr. LONSDALE.—The officer in my electorate, on the strength of this promise, retained the £20 out of certain moneys which he had in hand. From what I hear, the Minister of Home Affairs will find it difficult to discover a record of the promise; but there can be little doubt that it was made by an officer purporting to act on behalf of the Government. Whether he was entitled to do so or not remains to be seen.

Mr. JOHNSON (Lang).—I wish to indorse all that has been said as to what the returning officers in question regard as a breach of faith. The promise of a bonus of £20 was distinctly made to them by an officer of the Department, and, coming from

such a source, they thought that it was authoritative. According to their statements, it was made by an officer to whom they were directly responsible, and they considered that it was an official communication. We must be satisfied that such a promise was made when we have a general declaration to that effect by the various returning officers concerned. The Minister will doubtless find it extremely difficult to discover the authorship of the promise, because it is possible that the officer, although feeling that he was justified in making it, backed down on learning that it would not be indorsed by the Government. In these circumstances the returning officers in question may suffer a severe injustice by reason of the inability of the Minister to trace the source from which the original authority for this promise was obtained.

Mr. LONSDALE (New England).—I wish to call attention to the item, "Advance to Treasurer, £70,000." That is a very large item to pass in such a form in a temporary Supply Bill.

Sir JOHN FORREST.—I explained the whole matter when introducing the Bill.

Mr. LONSDALE.—I certainly did not hear any explanation of this item by the right honorable gentleman.

Sir JOHN FORREST (Swan—Treasurer).—I have already explained that the amounts appropriated towards the Treasurer's Advance Account in the last Supply Bill, together with those appropriated for the same Act in this measure, represent £120,000. A sum of £50,000 is required to make progress payments in connexion with new works and buildings that were entered upon before the close of the last financial year, and are still being carried on. In addition, £25,000 is required for the construction and extension of telegraph and telephone lines, which are still in progress, while payments in connexion with the purchase of defence material will absorb another £10,000. A margin of only £35,000 will thus be left until the Appropriation Bill is passed, when the Treasurer's Advance Account will be recouped in respect of these amounts.

Mr. McCAY.—How is the £10,000 required for defence purposes to be expended?

Sir JOHN FORREST.—The Defence fund requires to be replenished in respect of material ordered from England.

Mr. McCAY.—There is no such fund in existence.

Sir JOHN FORREST.—We have a fund in the Treasury from which this payment must be made.

Mr. McCAY.—The Government should not require the £10,000 unless they have given certain orders out of the new year's vote.

Sir JOHN FORREST.—I am informed by the Defence Department that it is required in respect of material that has been ordered, and which we are ordering from England. As a matter of fact, the honorable and learned member, when Minister of Defence, ordered some of this material.

Mr. McCAY.—The money was appropriated with the order.

Sir JOHN FORREST.—That is so; but this amount relates to a portion of the vote on this year's Estimates.

Mr. LONSDALE (New England).—I do not think that when a vote is required in respect of works and buildings it should be dealt with in this way.

Sir JOHN FORREST.—The Treasurer's Advance Account will be recouped by-and-by.

Mr. LONSDALE.—Instead of these items being embraced by the vote, "Treasurer's Advance Account, £70,000," it should be distinctly shown for what purpose the money is required, and I hope that the Treasurer will see that that is done in future.

Sir JOHN FORREST (Swan—Treasurer).—Under the Constitution Act, the suggestion made by the honorable member could not be carried out. I propose to introduce to-morrow, or on Friday, a Works and Buildings Appropriation Bill, and when that measure has been passed, the Treasurer's Advance Account will be recouped in respect of these items.

Schedule agreed to.

Bill reported without amendment; report adopted.

Bill read a third time.

## SERVICE AND EXECUTION OF PROCESS BILL, 1905.

Bill returned from Senate without amendment.

## MANUFACTURES

### ENCOURAGEMENT BILL (No. 2).

Debate resumed from 22nd August (*vide* page 1267), on motion by Sir WILLIAM LYNE—

That the Bill be now read a second time.

Mr. JOHNSON (Lang).—At this late hour, I should like to obtain permission to continue my remarks to-morrow evening.

Mr. DEAKIN.—We adjourned the debate last night on the understanding that the honorable member would be prepared to continue his speech to-day.

Mr. JOHNSON.—That is so; and I have been ready since the House met this afternoon to continue my speech.

Mr. SPEAKER.—Is it the pleasure of the House that the honorable member have leave to continue his remarks on a future occasion?

Mr. FRAZER.—I object.

Mr. DEAKIN.—I have made arrangements for other business to be proceeded with.

Mr. FRAZER.—I withdraw my objection on the assurance of the Prime Minister.

Leave granted; debate adjourned.

## EVIDENCE BILL.

*In Committee* (Consideration of Senate's amendments):

Clause 4—

All Courts shall take judicial notice of—

(a) the signature of any person. . . .

*Senate's Amendment.*—That after the word "the," line 2, the word "official" be inserted.

Mr. ISAACS (Indi — Attorney-General).—I move—

That the amendment be agreed to.

This is a purely formal amendment, providing that all Courts shall take judicial notice of the "official" signature of any of the persons named in the clause.

Motion agreed to.

*Senate's Amendment.*—That after clause 11 the following new clause be added:—

"12. Affidavits for use in the High Court or any Court exercising Federal jurisdiction may be sworn before any justice of the peace without the issue of any commission for taking affidavits."

Mr. ISAACS (Indi — Attorney-General).—I move—

That the amendment be agreed to.

It was suggested by the honorable member for Corio, supported by the honorable member for Maranoa, and I promised the House that it should be inserted when the Bill was before the Senate.

Mr. CONROY (Werriwa).—Does the Attorney-General think it is a desirable provision?

Mr. ISAACS.—I do. The circumstances of some of the States are such that a facility of this kind is necessary.

Mr. CONROY.—As the Minister sees no objection to the amendment, I shall offer no opposition to it.

Mr. PAGE. — It has worked well in Queensland, where it is the law of the land.

Mr. GLYNN (Angas).—I think it is a mistake to allow any justice of the peace to exercise this power. Justices of the peace are almost as common as grasshoppers in some parts of Australia, and the taking of an affidavit, especially when it relates to the High Court, is certainly an important matter in some cases. I do not know whether any Federal justices have been appointed, but if they have they may be in a position to take these affidavits. To allow State justices of the peace to take them, especially when no commissions are issued, will be to hand over a very serious duty to the least experienced. That is about what it means. However, the proposal is popular, and I suppose we may allow it to pass.

Motion agreed to.

Reported that the Committee had agreed to the Senate's amendments; report adopted.

## CENSUS AND STATISTICS BILL.

### SECOND READING.

Mr. GROOM (Darling Downs—Minister of Home Affairs).—I move—

That the Bill be now read a second time.

The House is about to be asked to exercise the powers that it possesses under section 51 sub-section XI. of the Constitution, which provides that the Parliament shall subject to the Constitution have power to make laws for the peace, order, and good government of the Commonwealth with respect to, among other things, census and statistics. This is one of the concurrent powers exercised under the Constitution—that is to say, powers which are concurrent in the Commonwealth and in the States with respect to the passing of laws with regard to census and statistics generally. The object of the Bill is to enable the Commonwealth to establish a central bureau of statistics in order that it may furnish to the world statistical returns with respect to the matters under its special jurisdiction, and also publish certain statistics having reference to the affairs of Australia as a whole. In other countries, especially in Europe and the United States, statistical bureaux have been established, with a central authority, the

idea being, instead of having a statistical bureau attached to each of the various departments, to establish a central bureau, so that the whole of the statistical information with regard to the various departments of State, as well as industries generally, may be focussed. As recently as 1903 in the United States, it being found that a number of statistical bureaux had grown up in connexion with the various departments, an Act was passed to place under the Central Department of Commerce a bureau of statistics, and the bureau of the census was also placed under this Department. They have concentrated their statistical inquiries as much as possible into the one department. One of the senators, in introducing the Bill, said—

The reason we do not want to leave the gathering of these statistics scattered in these several departments is that we want accurate statistics. We want them speedily gathered, because stale statistics are worthless, and I conceive that we would advance the interests of the business world, the industrial world, the scientific world, if we would keep the Census bureau here in this Department (Commerce) and bring all these other statistical bureaux under the same organizing head that we propose to put in charge of this new Department. Then, without friction, without jealousy, simply with a view to the ascertainment of reliable results, organize one bureau that will do all the work and give us complete satisfaction with its results.

That is the position in which the United States have placed their statistical department. They have to a very great extent made this one central department, and have established their Bureau of Census on a permanent basis, so that it will not be necessary every ten years to organize a special census staff. They have a permanent department, in which officers of special skill and experience are engaged in carrying on the work continuously. In Australia we are in a somewhat different position. Each State has a statistical department organized to supply information for its own special purposes. The States have organized their departments upon lines specially adapted to their own requirements, and they are engaged in the preparation of returns relating to their stock, agricultural operations, finances, local government, trade, factories, mines, and other branches of industry. Each State also acts on the uniform principle of a decennial census. Still there are divergencies of practice, and, further than that, until lately the States Governments have been estimating their increases and decreases of population upon different lines. Of course the States Departments

were organized as special units and for special purposes. Now that the Commonwealth has been brought into existence, and the Constitution has conferred upon Parliament large powers both of legislation and administration, we have to look at the matter from a broader point of view. Our past experience has shown us that it is absolutely necessary that we should have some means of compiling Commonwealth statistics upon a uniform basis. It is not proposed to interfere more than is necessary with the existing States organizations. We start on the assumption that the States will require to have their own local statistics for their own purposes. Of course it is natural that they should desire this. They have their own local laws, and they may be regarded as the best judges of their own necessities. I think it would be advantageous for them to have one Commonwealth department; but, judging from the tone of replies received from them, I am inclined to think that some negotiations will be required before they will be prepared to hand over their own departments. There are two courses open. We might have a central statistical bureau, with branches in each of the six States, which could be used for State purposes as required. As an alternative, we could establish a central Commonwealth bureau, and enter into negotiations with the various States with a view to utilizing their departments to the fullest possible extent. During the early stages of the organization of the Commonwealth departments, the latter will be found the most practical course to pursue. Of course we could negotiate with a view to taking over the States departments. If they do not desire us to do that, we can arrange to co-operate harmoniously with them. The Bill is framed on that principle. It provides generally for administration. It proposes that a Commonwealth statistician shall be appointed by the Governor-General in Council. He will have certain powers, which are defined; but, if it is thought desirable by him, he may delegate them under his hand to other persons to exercise on his behalf in different parts of the Commonwealth. It is proposed to have power for administrative purposes to appoint a certain number of officers to be placed under the Statistician in the Central Bureau. Power is given to the Governor-General to enter into an arrangement with the Government of any State, providing for any matter necessary or con-

venient for the carrying out or giving effect to the measure. For instance, such an arrangement may be made for the execution by State officers of any power or duty conferred or imposed on any officer under the Act or the regulations, the collection by any State Department or officer of any statistical or other information required to carry out the Act, and the supplying of statistical information by any State Department or office to the Statistician. Every officer executing these functions will have the powers conferred under the measure. The idea is that if the States desire to continue their existing institutions, and are unwilling to hand them over to the Commonwealth, we may ask them to furnish certain returns, to collect certain information, to make certain inquiries necessary for industrial, mining, or agricultural purposes, and to send the result to the central Department, which will focus all information obtainable respecting Australian affairs. The desire is to bring into line the statistics of the States for the purpose of comparison, to lay down a uniform method for the collection of statistics in the States for Commonwealth purposes, so that we may have a proper and fair means of comparing the industrial, social, and other conditions of the States. In addition to that, the central Department will collect all information in regard to subjects specially controlled by the Commonwealth, such as exports and imports, trade, and commerce generally, including inter-State transactions, navigation, and shipping, postal, defence, and other matters. Provision is also made for the collection of a census, which shall be taken whenever directed by the Governor-General. The reason for not providing for the collection of a census at specified periods is that at present the States have power to collect the census, but we hope that they will agree to allow the Commonwealth to organize the work, when the population of Australia can be numbered by a central authority on a definite and uniform basis. It is intended that the Commonwealth census shall be decennial; but, of course, before any census can be taken there must be a parliamentary appropriation to provide for the expense. The remaining provisions of Part III., which relate to the census, are purely in the nature of machinery provisions, and need not be referred to now. Part IV. deals with the collection of statistics, and clause 16 provides that the Statistician shall, in addition to the census,

collect annually vital, social, and industrial statistics, and statistics in relation to imports and exports; inter-State trade; factories, mines, and the productive industries generally; agricultural, horticultural, viticultural, dairying, and pastoral industries; insurance and finance, railways, tramways, shipping and transport, and any other prescribed matters. The remaining provisions of the Bill are purely machinery provisions, to give the Statistician adequate powers. As the Commonwealth is likely to soon establish the office of High Commissioner, it is desirable that we should have an organized Department, which can supply him with Australian information upon Australian subjects generally—information collected upon sound and uniform lines, fairly representing the growth and development of the nation. Hitherto we have had to rely upon the information supplied by the Departments of the States. The Commonwealth Department will enable Parliament, the public, and the press to obtain Australian information on any subject. It will be able to conduct inquiries upon special matters, and will show the effect of our legislation, giving an accurate picture of the conditions of our social and industrial life.

Mr. KELLY.—Does the honorable and learned gentleman say that it will give the press an opportunity to obtain information?

Mr. GROOM.—The press will be able to obtain statistical information of an authoritative nature, and honorable members will be able to obtain information in connexion with the subjects with which Parliament has to deal.

Mr. KELLY.—Why does clause 10 provide that the census shall be taken whenever directed by the Governor-General?

Mr. GROOM.—It is permissive to enable arrangements to be made with the States. The Census Acts of the States have been enacted for the taking of each census. In the United States, provision is made in the Constitution for the taking of a decennial census, and the same remark applies to Canada. It is intended to have a decennial census here, but provision is made in the manner set forth in clause 10, pending negotiations with the States for the transfer of their Statistical Departments to the Commonwealth, or some other arrangement under which statistics of population may be collected by the Commonwealth.

Mr. JOSEPH COOK.—What is the practice in the States?

Mr. GROOM.—In Queensland, there was a quinquennial Act, parts of which were repealed, and the decennial census was lately taken, under a special Act. In New South Wales, I understand, special Acts were passed for each census.

Mr. WILKS.—Is there any danger of the Bill being used to block the redistribution of seats?

Mr. LONSDALE.—Is the Government going to bring in a Bill for the redistribution of seats before providing for the taking of a census?

Mr. GROOM.—The Bill referred to will be circulated to-morrow. This is an independent measure.

Mr. LONSDALE.—Has it no connexion with the other?

Mr. GROOM.—It may or may not have. This Bill is complete in itself, and deals only with the taking of general statistics for the Commonwealth.

Debate (on motion by Mr. KELLY) adjourned.

## WIRELESS TELEGRAPHY BILL.

### SECOND READING.

Mr. AUSTIN CHAPMAN (Eden-Monaro—Postmaster-General).—I have much pleasure in moving—

That the Bill be now read a second time.

This is purely a formal measure, which provides for vesting the control of wireless telegraphy in the hands of the Postmaster-General. It has already passed through the Senate, where certain amendments have been introduced with a view to making it more restrictive, and providing for more severe penalties for offences.

Question resolved in the affirmative.

Bill read a second time, and committed *pro forma*.

## REPRESENTATION BILL.

Motion (by Mr. GROOM) agreed to—

That leave be given to bring in a Bill for an Act relating to the representation of the several States in the House of Representatives.

Bill presented, and read a first time.

House adjourned at 10.54 p.m.

## Senate.

Thursday, 24 August, 1905.

The PRESIDENT took the chair at 3.30 p.m., and read prayers.

## STATE DEFENCE DEPARTMENTS.

Senator MATHESON.—I desire to ask the Minister of Defence, without notice, whether he can give the Senate an idea as to when the valuation of the Defence properties which have been handed over by the States to the Commonwealth will be completed?

Senator PLAYFORD.—I have not the remotest idea. Once a matter is placed in the hands of two arbitrators there is no telling when their valuation will be completed.

## PAPERS.

MINISTERS laid upon the table the following papers:—

Copy of correspondence between the Attorney-General and the Justices of the High Court re travelling expenses.

Ordered to be printed.

Estimates of Revenue and Expenditure for the year ending 30th June, 1906.

The Budget, 1905-6—Papers prepared for the information of members of Parliament.

The CLERK laid upon the table the following paper:—

Return to order of the Senate—Yodda Valley Gold-field, British New Guinea—Documents relating to capture of Mr. O'Brien.

Ordered to be printed.

Senator PLAYFORD (South Australia—Minister of Defence).—I beg to lay upon the table the following paper:—

Copy of conditions of arrangement with Mr. John Plummer with regard to the writing and distributing of articles in Great Britain.

The PRESIDENT.—Does the honorable senator move that the paper be printed?

Senator PLAYFORD.—No, sir, but if any honorable senator wishes the paper to be printed I shall offer no objection. I think that all papers laid upon the table should be referred to the Printing Committee for consideration and report.

The PRESIDENT.—Sometimes the Senate wishes a paper to be printed straight away.

Senator PLAYFORD.—It is a great pity that it is so.

Senator STEWART (Queensland).—I move—

That the paper be printed.

Senator TURLEY.—What is the paper?

Senator STEWART.—I do not know what it is.

Senator PLAYFORD.—It is a copy of the contract with Mr. John Plummer.

The PRESIDENT.—The motion has not been seconded.

Senator HIGGS.—I second the motion.

Senator DOBSON (Tasmania).—What is the use of the Printing Committee if this course is to be taken? I always understood that in each House of the Parliament a Printing Committee was appointed to go through every document laid upon the table, and say whether it was of sufficient public importance to be printed. We are not in a position to express an opinion as to whether this paper ought to be printed until we know what it is, and can judge its importance.

The PRESIDENT.—That is a question for the Senate to decide.

Senator DOBSON.—I agree with the leader of the Senate that all these papers should be referred to the Printing Committee.

The PRESIDENT.—I do not think that the honorable and learned senator is in order.

Question resolved in the affirmative.

## PRINTING COMMITTEE.

Senator MACFARLANE.—May I ask you, sir, when the next meeting of the Printing Committee will take place?

The PRESIDENT.—I do not know. I am not a member of the Committee.

Senator DOBSON.—Who is the chairman of the Printing Committee?

Senator KEATING.—Senator Smith is the chairman.

Senator STANFORTH SMITH.—The Printing Committee made certain recommendations, which were flouted by the Senate, and no sitting has been held since that time.

## WEATHER REPORTS: TASMANIA.

Senator MACFARLANE asked the Minister representing the Postmaster-General, upon notice—

1. The reason of the omission of Tasmania from the weather reports of the other States published lately by the Post Office, Victoria, New South Wales, and South Australia being given in great detail?

2. Is this in consequence of any change in facilities at one time given by the Eastern Extension Cable Company?

3. If so, what is the reason?

Senator KEATING.—The answers to the honorable senator's questions are as follows:—

1. No alteration has been made. The weather reports from Tasmania arrive at Melbourne too late to be included in the report prepared at 11.15 a.m. daily. Such reports are not furnished to the Postmaster-General's Department in Sydney, but are addressed to the State Astronomer, who includes them in his daily weather charts which are exhibited in the colonnade of the General Post Office in that city. In Adelaide the information received is published in detail daily, in the hall of the General Post Office, by the State Astronomer.

2. No change has been made in the facilities given by the Eastern Extension Cable Company.

3. Answered by the reply to question No. 2.

### POST AND TELEGRAPH ACT.

Senator Sir JOSIAH SYMON asked the Minister of Defence, *upon notice*—

Referring to the statements of the Minister of Defence in replying to question on 16th August with regard to section 16 of the Post and Telegraph Act—

1. Is the Treasurer (the Right Honorable Sir John Forrest) of the same opinion as when out of office—that the enactment in question is “wrong, foolish, and dishonest”?

2. Do the Government agree with the Treasurer that the enactment is “wrong, foolish, and dishonest”?

3. Does the Minister intend the Senate to understand that the Government are prepared to ask Parliament to repeal section 16, stigmatized by Sir John Forrest as “dishonest” but for Mr. Reid's statement in 1901, quoted by the Minister?

4. Will the Government ask Parliament to repeal the section which the Treasurer said was “dishonest” if Mr. Reid will support them in doing so?

Senator PLAYFORD.—The answers to the honorable and learned senator's questions are as follows:—

1. Sir John Forrest states that the honorable senator has not accurately represented what he said, and we consider, in any case, that the honorable senator who, while in office, took no step to repeal the provision referred to, is the last person who should question our colleague's consistency.

2. As the Government agree with Mr. Reid's speech in July, 1901, already quoted by me, they necessarily are not of opinion that the enactment is “wrong, foolish, or dishonest.”

3. I do not intend the Senate to understand that the Government are prepared, under any circumstances, to repeal section 16, the reference to Mr. Reid's speech being made only to allay the honorable senator's apparent anxiety.

4. As the Government could not possibly assume Mr. Reid to be so inconsistent as the honorable senator suggests, the answer must be “No.”

Senator Sir JOSIAH SYMON.—What a magnificent reply!

Senator PLAYFORD.—What a number of magnificent questions!

### MAIL SERVICES: TASMANIA AND VANCOUVER.

Senator MACFARLANE asked the Minister representing the Postmaster-General, *upon notice*—

1. Is it the fact that the State of Tasmania is called on to bear the whole expense of ocean transit of mails between Australia and Tasmania?

2. Are other postal services over the ocean not paid for on a *per capita* basis?

3. If so, will the Government take measures to have more equitable treatment given to Tasmania?

Senator KEATING.—The answers to the honorable senator's questions are as follows:—

1. No; the other States contribute, to some extent, towards the expense of the transit of mails between Australia and Tasmania across Bass Strait by a poundage rate on all mails sent from those States.

2. Hitherto only the ocean mail services *via* Suez have been paid for on a *per capita* basis, but it is now proposed to pay for the ocean mail service between Australia and Canada on the same basis.

3. It is not considered that an Inter-State mail service by water differs materially from a similar service overland, or that it could be treated on the same basis as an ocean mail service, without a reconsideration of the whole of the arrangements under which Inter-State postal services are carried on throughout Australia.

Senator MATHESON.—Arising out of that answer, I desire to ask Senator Keating whether he considers that the term “ocean transit” applied by Senator Macfarlane to mails crossing this little strait or pond is properly so used?

Senator KEATING.—I think that the answer to the third question discloses that it is not treated as an ocean mail service at all.

Senator MATHESON.—That is what I wish to know.

Senator CLEMONS.—I desire to ask Senator Keating whether there is any other line of steamers running from port to port in the Commonwealth which receives a subsidy therefrom?

Senator KEATING.—I am not in a position to give a definite answer, but I shall endeavour to get the information for the honorable and learned senator as soon as possible, perhaps before to-morrow.

Senator MACFARLANE.—May I ask whether the revenue derived from the poundage rates is considered a contribution to the subsidy paid by Tasmania?

Senator KEATING.—I understand that the subsidy is paid in the first instance by



Tasmania, and that the revenue collected by the poundage rates from other States is debited to them and credited to Tasmania, as their portion of the subsidy.

Senator MATHESON asked the Minister of Defence, *upon notice*—

1. Is the Minister aware that, prior to the year 1905, the subsidy for the Vancouver Mail Service was provided by the States of New South Wales and Queensland alone?

2. Is the Minister aware that in the present Estimates, 1905-6, the subsidy has for the first time been distributed among all the States on a population basis under the heading of "Transferred Expenditure"?

3. Can the Minister indicate under what section of the Constitution new expenditure, never previously incurred or authorized by a State, can be debited to such a State as "Transferred Expenditure"?

4. Have the Government of Western Australia consented, on behalf of that State, to participate in the subsidy for the Vancouver Mail Service as a transferred expenditure?

5. Is it not a fact that, in the case of the Mail Service to the Pacific Islands, the question of increasing the subsidy previously provided by New South Wales alone was submitted to Parliament and authorized as new expenditure?

6. For what reason has this precedent been departed from in the case of the subsidy for the Mail Service to Vancouver?

Senator PLAYFORD.—The answers to the honorable senator's questions are as follow:—

1. Yes.

2. Yes.

3. Section 89. I am informed that this matter was decided by the last Government. It is considered that this expenditure should be placed on the same footing as the Orient Mail Service.

4. I am not aware that any of the State Governments was consulted.

5. Yes, the additional subsidy having been granted for an extension of the services also on condition that white labour was used.

6. Answered by 3.

### CONSTITUTION: "BOOKKEEPING" SECTION.

Senator CLEMONS asked the Minister of Defence, *upon notice*—

If it is the intention of the present Government to retain section 93 of the Constitution known as the bookkeeping section, or whether they will, after October, 1906, make some other provision for crediting revenue and debiting expenditure?

Senator PLAYFORD.—The answer to the honorable senator's question is as follows:—

This will require to be considered in connexion with other financial adjustments next year. It is pertinent to the Budget of 1906, and not to that of the present year.

### PUBLIC SERVICE: OUTSIDE INFLUENCE.

Senator DOBSON asked the Minister representing the Minister of Home Affairs, *upon notice*—

1. Are Ministers aware that No. 43 of the Regulations issued under the Commonwealth Public Service Act 1902 prohibits officers from seeking the influence or interest of any person in order to obtain promotion, removal, or other advantage?

2. Is it not a fact that numbers of the officers have disobeyed such Regulation, and that some Members of Parliament have acquiesced in their doing so?

3. Have Ministers read the report of the Public Service Commissioner, dated 9th June, 1904, stating that he considers the most solemn obligation of his office to be the endeavour to carry out the "will of Parliament," and get rid of "political and other influence" in managing and regulating the Public Service?

4. Is it the intention of Ministers to support the Commissioner in this respect, and do they intend to take any, and what steps, to enforce obedience by all officers to the 43rd regulation?

5. Are Ministers prepared to enforce section 46 of the said Act if the steps they may take to enforce the said regulation are not effectual?

Senator KEATING.—The answers to the honorable and learned senator's questions are as follow:—

1. Yes.

2. Notwithstanding the regulation, it would appear that some public servants have written to members with respect to their position under the classification, but I am not aware that members have acquiesced in their doing so.

Senator MILLEN.—Does the Minister mean that individual members of the Public Service have written to members of Parliament, or that organizations of the Public Service have done so?

Senator KEATING.—That is not stated in the answer. It says "that some public servants have written to members." It does not say whether they have written jointly or individually.

3. Yes.

4. It is the intention of the Government to support the Commissioner, and it is hoped that the attention thus publicly drawn to this regulation by the honorable senator will suffice to secure obedience to it.

5. Ministers will assist the Commissioner to enforce the Act and regulations.

Senator PEARCE.—I should like to ask a question arising out of the replies. Do the Government propose to treat representations from organizations of public servants as a breach of regulation 46?

Senator KEATING.—I think that any representation would have to be regarded according to all the circumstances surrounding it, in order to determine whether or not it was the exercise of a right or a

breach of the Public Service Act. Any representations which may be made in connexion with the classification of the Public Service, which in the opinion of any member of the Senate are in conflict with the policy and principle of the Public Service Act, will receive consideration from the Government, and will be represented to the Commissioner, so that he may or may not take such action as he thinks that it is his duty to take.

Senator DOBSON.—Does the Minister mean that a public servant may address a member of Parliament about the classification?

Senator KEATING.—That is a matter for the honorable senator himself to consider. He may bring such matters under the notice of the Government in any circumstances.

### SHORT RIFLES.

Senator Lt.-Col. NEILD asked the Minister of Defence, *upon notice*—

1. Did Major-General Hutton recommend the purchase by the Commonwealth of the short rifles now being served out to the Light Horse Regiments in the service of the Commonwealth?

2. How many of such rifles have been purchased by the Commonwealth?

3. Has the Minister been informed that rifles of the pattern in question have been abandoned by the Imperial authorities, and the manufacture of the weapons stopped?

4. Is the Minister aware that it has been proved by experience in England that the magazine of the rifle in question "is liable to jamb, that there is too much play in the mechanism, that the balance is bad, and the metal used too soft?"

5. Is this weapon to be withdrawn from use in the Commonwealth Forces?

Senator PLAYFORD.—The answers to the honorable senator's questions are as follow:—

1. Yes.

2. Five thousand.

3. No.

4. No.

5. No, unless good reasons are given, which up to the present have not been received.

We have seen some newspaper paragraphs on the subject, but we have no official information.

### MILITARY UNIFORMS.

Senator Lt.-Col. NEILD asked the Minister of Defence, *upon notice*—

1. Has a communication been received by the Commonwealth Government from the Imperial authorities, taking exception to the wearing, in Japan, by Colonel Hoad, D.A.G., Commonwealth Military Forces, of aiguillettes so similar to those worn by aides-de-camp and equerries to

the Sovereign as to convey the impression that the wearer occupied a position on the staff of His Majesty?

2. Were the aiguillettes ordered or recommended to be worn by officers of the Commonwealth Forces at the instance of Major-General Hutton?

3. What is the cost of these articles of adornment?

4. Are they paid for by the Commonwealth, or provided at the expense of officers required to wear them?

5. Has the Attorney-General replied to the complaint of the Imperial authorities regarding the wearing of these emblems, maintaining the right of the Military Forces of the Commonwealth to wear any uniform approved by the Government of the Commonwealth?

6. Does the Attorney-General maintain the right of the Commonwealth to complete independence of action regarding the wearing of uniforms and emblems at foreign Courts?

7. Is it not a fact that No. 11, Part XI., of the Military Regulations of the Commonwealth provide that "Permission to wear uniform at foreign manœuvres can only be obtained from the War Office?"

8. Does not the promulgation of this regulation recognise the right of the British War Office to regulate the wearing abroad of Commonwealth uniforms?

Senator PLAYFORD.—The answers to the honorable senator's questions are as follow:—

1. Yes.

2. The regulations providing for the wearing of aiguillettes were approved on the recommendation of Major-General Hutton.

3. £9 9s.

4. They are paid for by the officers concerned.

5. The Attorney-General has advised to that effect, and the advice is being communicated to the Imperial Government.

6. This question does not appear to be covered by the opinion of the Attorney-General.

7 and 8. The regulations do so state, but in this case the Commonwealth Military Attaché was attached to the Japanese Army at the time of war by permission of the Japanese Government, obtained through the Imperial authorities. It may be stated that all the military attachés wore the uniform of their country.

Senator Lt.-Col. NEILD.—I do not think the Minister of Defence has answered question No. 8.

Senator PLAYFORD.—The answer is yes. I know that there is a provision on the subject, but it refers, I think, to military manœuvres, and does not refer to an officer who is attached to a special Army Corps in connexion with war.

### IMMIGRATION RESTRICTION ACT.

Motion (by Senator Lt.-Col. NEILD) agreed to—

1. That there be laid upon the table of the Senate copies of all papers connected with the landing in the Commonwealth of Mrs. Mahommed

Din, wife of Mr. Mahommed Din, a resident of Western Australia.

2. That there be laid upon the table of the Senate all papers connected with the grant of an exemption certificate to the said Mrs. Mahommed Din.

Senator PLAYFORD.—I lay the papers in question upon the table.

#### LIGHT HORSE: PISTOLS.

Motion (by Senator Lt.-Col. NEILD) agreed to—

1. That there be laid upon the table of the Senate copies of all papers connected with the recommendation of Major-General Hutton for the purchase of pistols for the arming of the Light Horse Regiments in the service of the Commonwealth.

2. Also all papers connected with the refusal of the Minister of State for Defence (Senator the Honorable Anderson Dawson) to approve of the recommendation of Major-General Hutton for the purchase of the said pistols.

3. Also all papers connected with the condemnation by the British War Office of the said recommendation by Major-General Hutton.

#### JUDICIARY ACT 1903 AMENDMENT BILL.

Bill presented by Senator Sir JOSIAH SYMON, and read a first time.

#### EVIDENCE BILL.

Message received from the House of Representatives intimating that it had agreed to the amendments made by the Senate in this Bill.

#### PARLIAMENTARY EVIDENCE BILL.

*In Committee* (Consideration resumed from 27th July, *vide* page 188):

Clause 2 (Evidence may be taken on oath).

Senator Lt.-Col. NEILD (New South Wales).—It will be convenient for me to state what I propose to do in connexion with this Bill. It will be within the recollection of honorable senators that when I presented the Bill to the Senate I stated that it had been considered by the parliamentary draftsman, to whom I had referred it, with a view to have the phraseology of the measure brought into line with the phraseology of the general Acts of the Commonwealth. Since then the Bill has been referred to the Standing Orders Committee. The Committee, judging from their report, submitted the whole question to the parliamentary draftsman, who has prepared a much more elaborate Bill,

covering many details of an administrative or machinery character, which were not provided for in the measure as originally submitted by me. We have passed the first clause of the Bill as I introduced it. I now propose to move the omission of the remaining clauses, in order that we may have an opportunity to adopt the recommendations of the Standing Orders Committee.

Senator GUTHRIE.—It would be better to withdraw the whole Bill.

Senator Lt.-Col. NEILD.—That is what it really amounts to. After the two clauses have been omitted, I propose to move the insertion of other clauses in their place. But if we were to adopt the procedure which Senator Guthrie recommends, we should have to begin *de novo*.

Senator GUTHRIE.—There are seventeen new clauses.

Senator Lt.-Col. NEILD. — I do not care if there are seventeen hundred. I take it that the Standing Orders Committee has made provision for many cases that were not covered by the original Bill. I am prepared to accept the clauses which they recommend. I ask the Committee to negative this clause.

Clause negatived.

Senator MILLEN (New South Wales).—In the running fire of conversation which was taking place, I was unable to clearly follow the intention stated by Senator Neild. I understand that he asks the Committee to negative certain clauses with a view to inserting a long list of new clauses.

Senator Lt.-Col. NEILD.—That is so.

Senator MILLEN.—I submit that it is not possible for honorable senators, or, at any rate, it is not possible for me to determine whether it is expedient to omit clauses until we have an opportunity to look rather closely at what is proposed to insert in their place.

Senator Lt.-Col. NEILD.—Good gracious me!

Senator MILLEN.—I can quite understand that the honorable senator may feel the necessity for some little assistance or moral support of the kind. I am not prepared to create a blank in the Bill until I know what it is proposed to substitute. It is asking rather too much for Senator Neild, without any notice, to propose to practically remodel the whole of this extensive Bill.

Senator Lt.-Col. NEILD (New South Wales).—Senator Millen can surely not have been here some weeks ago, when this Bill

was postponed expressly to allow honorable senators to make themselves acquainted with the recommendations of the Standing Orders Committee.

Senator MILLEN.—I have been here more frequently than has the honorable senator this session.

Senator Lt.-Col. NEILD.—That is so, during this session, and I congratulate the honorable senator on the frequency of his attendance during this session. The report was submitted to the Senate last session, and three weeks ago the Bill was postponed to enable honorable senators to grapple with the recommendations of the Standing Orders Committee. Senator Millen has been displaying so much Roman virtue in his devotion to his country that I am surprised he should not have grappled with those little details. It is unfair to charge me, under the circumstances, with springing a surprise on the Chamber.

Senator MILLEN.—I did not charge the honorable senator with anything. There is no necessity to do that.

Senator Lt.-Col. NEILD.—The honorable senator has answered himself; he should not have done so.

Senator MILLEN.—I did not do so.

Senator Lt.-Col. NEILD.—That is a matter of opinion. I draw the attention of Senator Millen to the recommendations of the Standing Orders Committee which I propose to adopt. Clause 2, enabling evidence to be taken on oath, has been eliminated, and I now ask the Committee to strike out clause 3, which empowers the President of the Senate, the Speaker of the House of Representatives and the Chairman or member presiding at any sitting of a Committee of either House, to administer oaths and affirmations to witnesses. In the place of clause 3 I propose to adopt the recommended clause 2, which makes the same provision, with a little more elaboration. This clause gives exactly the same authority to other officials, namely, the Clerk of the House and the Chairman of any Committee.

The CHAIRMAN.—I draw Senator Millen's attention to standing order 192, which provides that we must deal with clauses, as printed, and proposed new clauses. Clause 2 has been struck out, and it would now be in accordance with our practice to move to substitute the new clause.

Senator Lt.-Col. NEILD.—Our plan hitherto has been to deal with all the

clauses of the Bill, and then propose the new clauses.

The CHAIRMAN.—I do not think that can now be done.

Senator Lt.-Col. NEILD.—Then I shall now submit the new clause which I propose to substitute for clause 2. The parliamentary draftsman, or the Standing Orders Committee, has made one serious omission, and that is in reference to the interpretation of the word "Committee." The interpretation in the suggested clause is, "Committee" means a Committee of either House," and to that I propose to add the words, "or a Joint Committee of the two Houses." When I introduced this Bill, I recognised that, while we could regulate the taking of evidence before our own Chamber, or a Select Committee, by standing orders, we could not regulate the taking of evidence before a Joint Committee by standing orders; and, therefore, it is necessary to make the provision I have indicated. I move—

That the following proposed new clause be inserted:—

"2. In this Act, unless the contrary intention appears:—

"House" means a House of the Parliament.

"Committee" means a Committee of either House or a Joint Committee of the two Houses.

"The President" means the President of the Senate.

"The Speaker" means the Speaker of the House of Representatives.

"The Chairman" means the Chairman of a Committee or the member acting as the Chairman of a Committee.

"Witness" means a person summoned to appear before either House or before a Committee to give evidence or produce documents.

"Documents" includes books."

Senator Sir JOSIAH SYMON (South Australia).—The Government ought, I think, to take some responsibility for this Bill, which is a measure of very great consequence, dealing, as it does, with proposed changes, if they be such, in the procedure of Parliament in regard to witnesses. I know that Senator Neild took a lot of trouble about the Bill last year, when it was referred to the Standing Orders Committee, and I presume that the Attorney-General has considered the effect of the proposed clauses, and, through his representative here, can afford honorable senators some guidance. It is only right that we should be told what are the views of the Government, and whether it is proper

we should assent to the proposed new clauses.

Senator Sir RICHARD BAKER (South Australia).—As Chairman of the Standing Orders Committee, I may say that these proposed amendments have been before honorable senators for about ten months. The recommendations were printed and circulated amongst honorable senators last session, and, having been printed again this session, were circulated once more about a month ago. Therefore, I do not think any honorable senator can fairly say he has not had time to consider the matter.

Senator Sir JOSIAH SYMON.—Nobody is saying that.

Senator Sir RICHARD BAKER.—I understood Senator Milten to say so. However, the Standing Orders Committee held a great many meetings, and the parliamentary draftsman was called in to advise. Whether the parliamentary draftsman consulted the Attorney-General I do not know, but it was considered by the Committee that the Bill, as presented by Senator Neild, was defective on some points. Perhaps I am a little out of order in anticipating, but one of the points was that although the Bill, as originally presented, gave power to the Senate, House of Representatives, or any Committee, to administer an oath, it did not compel witnesses to take an oath. Honorable senators may have seen in the press lately a telegram from London, expressing the opinion of the Attorney-General of England in reference to some body in England—I do not exactly know what body, but I think it was the Board of Trade—not having power to compel witnesses to take an oath, although there was power to administer an oath. The Standing Orders Committee took a great deal of trouble about the matter, and were unanimous in the recommendation that the clauses now suggested should be substituted for the Bill as originally introduced. It may, after all, be only a question of draftsmanship, but there are details missing in the original Bill and now recommended for approval. If honorable senators look at the report of the Standing Orders Committee they will see that—

The Committee after due consideration advise the Senate to proceed with the consideration of the Bill, but that its scope should be enlarged by the addition of clauses dealing with the whole matter of the summoning and examination of witnesses.

To do this clauses will have to be inserted for the punishment of witnesses—

- (a) who do not attend when summoned;
- (b) who refuse to be sworn;
- (c) who refuse to answer questions.

I shall not read the whole of the report, but what I have mentioned are the substantive alterations recommended in the original Bill. It is for the Senate to consider whether the Bill shall be passed or not, but the Standing Orders Committee unanimously advise the practical substitution of a new measure.

Senator MILLEN (New South Wales).—I beg to point out, sir, that my complaint was not that time had not been given to us to consider the matter. What I asked was that Senator Neild should state what particular clauses in the proposed report of the Standing Orders Committee he proposed to insert in substitution for those struck out. This is not an ordinary amendment that we are asked to accept. The Bill, as originally presented, contained four clauses, two of which might be regarded as purely formal. Now we are asked to accept as amendments on this Bill several clauses which constitute a new Bill from preamble to imprint. It is usual for a Committee, when a Bill has been referred to it, to suggest alterations or modifications of some of its clauses, but in this case we have a completely new Bill submitted, and the report of the Committee also suggests a widening of the scope of the original measure.

Senator PEARCE.—The honorable senator complains that the Standing Orders Committee did too much.

Senator MILLEN.—No; I complain that the honorable senator in charge of the original Bill did too little. I am not seeking to obstruct the passing of the Bill, but I am pointing out my difficulty in dealing with it. I have risen for the second time to remind honorable senators that we are asked to accept certain proposals which, so far as I can see, are entirely different in character and scope from those contained in the original Bill submitted to us.

Senator KEATING (Tasmania—Honorary Minister).—With reference to the remarks which have fallen from Senator Symon, I may say that when this matter was previously brought before the Senate by Senator Neild, I stated the attitude of the Government with regard to it. Senator Neild, some time last session, introduced a Bill to give effect to what is intended to be given effect to by this

measure. The Bill was then referred to the Standing Orders Committee. That Committee, having considered the measure, brought up a report in connexion with it, which was circulated last session. Honorable senators then had before them the original Bill, a report of the Standing Orders Committee, and the form of the proposed new Bill. I explained that so far as the Government were concerned, they wished to see some legislation of the kind on the statute-book, and, inasmuch as Senator Neild took up the matter in the first instance, and our Standing Orders Committee had reported upon it, the Government were prepared to leave the matter now in the hands of the Senate for its proper consideration. With respect to what shall be inserted in the gap caused by the elimination of clause 2, I confess that I am in somewhat the same position as Senator Millen. Senator Neild has intimated that he intends to adopt the clauses recommended in the Standing Orders Committee's report. That is new to me, and I think we should have had some little notice of the honorable senator's intention to change the form of his Bill in that way before we are asked to vote on the motion now before the Committee.

Senator Lt.-Col. NEILD.—I stated my intention a month ago.

Senator KEATING.—I have given some consideration and attention to the matter, and I was unaware that it was Senator Neild's intention to do what he has proposed to do to-day. I do not think we should be asked to adopt the new clauses recommended by the Standing Orders Committee without a further opportunity being given to honorable senators to discuss the advantage or otherwise of substituting the Bill recommended by the Standing Orders Committee for that which is now before us.

Senator CLEMONS (Tasmania).—If the Standing Orders Committee had intrusted to any honorable senator the conduct of a Bill for an Act to give effect to its recommendations I could understand our present position. We should then be able to consider each of the proposed new clauses in its proper order. We are now, however, being asked to adopt a clause recommended by the Standing Orders Committee in a Bill for an Act which is marked No. 2 on our files, and which was originally introduced by Senator Neild. We are, at

the same time, being asked to discuss an amending Bill of seventeen clauses, as compared with the original Bill of four clauses, and which we see almost for the first time. I suggest to Senator Neild that if he is in charge of the proposed new Bill, on behalf of the Standing Orders Committee, he would do well to postpone it. We are being asked to deal now with an entirely new Bill, which we have not even read a first time. I think the proper proceeding would be to start *de novo* with the new Bill recommended by the Standing Orders Committee.

Senator Lt.-Col. NEILD.—That is only the honorable and learned senator's customary attitude.

Senator PEARCE (Western Australia).—I hope honorable senators will not allow a trifling matter to determine their action in connexion with this Bill. The second reading of the Bill was passed, and it was referred to the Standing Orders Committee, because there was a general impression that its provisions were inadequate. The Standing Orders Committee considered the Bill, with the advice of the parliamentary draughtsman. That officer drew up a Bill giving effect to the recommendations of the Committee, and it was then considered by the Committee and adopted as a part of their report. That report was laid upon the table some weeks ago.

Senator Lt.-Col. NEILD.—Ten months ago.

Senator MILLEN.—But we are being asked to consider a new Bill.

Senator PEARCE.—Honorable senators are splitting straws. It appears to me that the objection raised is whether Senator Neild should have the honour or distinction of introducing this new Bill. Is not that the sole point?

Senator Sir JOSIAH SYMON.—No.

Senator PEARCE.—That appears to me to be the objection on the other side, because an honorable and learned senator asked whether the Standing Orders Committee had intrusted Senator Neild with the conduct of the measure. The question for the Committee to consider is whether this would be a useful Bill to pass.

Senator CLEMONS.—Which Bill?

Senator PEARCE.—The Bill proposed by the Standing Orders Committee.

Senator CLEMONS.—It has not yet been read a first time.

Senator PEARCE.—After its second reading the original Bill was referred to the Standing Orders Committee.

Senator CLEMONS.—But what has come back to us?

Senator PEARCE.—We have the Standing Orders Committee's report on the Bill. Surely it does not matter which honorable senator moves these amendments on the original Bill, and it does not matter whether Senator Neild adopts that course or withdraws the original Bill, and brings forward the clauses recommended by the Standing Orders Committee in a new Bill? I direct attention to the fact that it is advisable early in the session to determine the powers of Select Committees of the Senate. We have appointed a Select Committee which will probably be sitting shortly. Doubts have been raised as to the power of that Committee to take evidence. I do not personally believe that there is any ground for those doubts, but the passing of this measure will clear up all doubts on the subject, and will place the scope and powers of our Select Committees beyond all question. No honorable senator has yet said that he is opposed to the Bill, and I see no reason why we should not go on with its consideration in the way we have commenced. I appeal to honorable senators not to allow a mere matter of procedure to determine the postponement of the whole question, for that is what appears to be asked for.

Senator MILLEN.—No, the presentation of the matter in a business-like form.

Senator PEARCE.—We have the Bill before us, and I appeal to honorable senators, in dealing with it, to consider the clauses recommended by the Standing Orders Committee as they are submitted.

Senator Sir JOSIAH SYMON (South Australia).—Senator Pearce has either misapprehended the position or has failed to put the correct position before the Committee. I have heard no suggestion that Senator Neild should not have the distinction and privilege of conducting the Bill to a successful conclusion. I do not believe that any one entertains the slightest notion of interfering with the honorable senator in that respect. Personally I say, as I did last year, that I think that Senator Neild, having taken the subject up, should carry it to a conclusion. I hold very much the same view as Senator Keating. The Bill, as originally introduced by Senator Neild, was a short Bill of three or four clauses.

Senator Lt.-Col. NEILD.—I wish to take a point of order. The question before the Committee is the proposed new clause 2.

On that definite proposition it is not open to honorable senators to discuss the progress of the Bill from beginning to end. I take the point of order that it is not competent for honorable senators to discuss the whole Bill on a particular clause.

The CHAIRMAN.—The question before the Committee is the insertion of a proposed new clause. I think that honorable senators are in order in introducing arguments in favour of the postponement of the clause, on the ground that they have not had time to consider it; but they will not be in order in discussing the whole Bill.

Senator Sir JOSIAH SYMON.—Of course, I was not doing so. Senator Pearce, in his remarks, referred to what would have been a very unkindly motive if it had actuated any one in speaking on this question. The suggestion does not affect me, because I hope that Senator Neild will continue to conduct this measure to a successful conclusion. I was going to say that I agree very much with what Senator Keating has said on the subject. In saying that the Government should offer some guidance to the Senate in the matter, I had no intention to suggest that they should take up, or in any way interfere with Senator Neild in the conduct of, the measure. I ask honorable senators to look at the proposed clauses. If the new Bill is adopted, it will be one of the most penal enactments we could pass.

The CHAIRMAN.—I ask the honorable and learned senator to confine himself to the new clause.

Senator Sir JOSIAH SYMON. — The reason for postponing the consideration of this clause applies to every one of the new clauses sought to be introduced. Senator Neild proposes practically to make of this a new Bill, and, so far as I am aware, he gave other honorable senators no intimation of his intention.

Senator Lt.-Col. NEILD.—I wish I had the letter which the honorable and learned senator wrote me when he was Attorney-General, asking me to go on with the Bill.

Senator Sir JOSIAH SYMON.—I did not do anything of the kind.

Senator Lt.-Col. NEILD.—The honorable and learned senator is stating what is not a fact, and he knows it.

Senator Sir JOSIAH SYMON. — The honorable senator is stating what he knows to be without foundation.

Senator Lt.-Col. NEILD.—The honorable and learned senator knows that what he is saying is not true—a fact.

The CHAIRMAN.—I must ask Senator Neild to withdraw the statement that what Senator Symon is saying is not true.

Senator Lt.-Col. NEILD.—I did not intend to make it, and it will have been noticed that I corrected myself instantly.

Senator Sir JOSIAH SYMON. — One does not take very much notice of what the honorable senator says. But now that he has referred to the subject, I may say that I wrote to the honorable senator—

Senator Lt.-Col. NEILD.—The honorable and learned senator denied that just now.

Senator Sir JOSIAH SYMON.—I did nothing of the kind. I wrote to the honorable senator inquiring whether he proposed to avail himself of the standing order to resume the proceedings on the Bill he had introduced at the stage it had reached. But he never gave any intimation that he was going to adopt another Bill, as recommended by the Standing Orders Committee, with this title, "An Act relating to Parliamentary Witnesses," in place of his own Bill, with the title, "An Act relating to the taking of evidence by Parliament, or any Committee thereof," and with provisions enabling persons to be arrested, and to be imprisoned for two years, in some cases for five years. Are we to pass provisions of that sort at a moment's notice? It was for that reason I asked the representatives of the Government whether they had given consideration to the subject, and were prepared to guide the Committee as to the desirability of having these very severe provisions inserted. Because, if this Bill is to be enforced, it must be enforced by the Crown.

Senator PEARCE.—Does not that apply to every measure which is passed?

Senator Sir JOSIAH SYMON.—Yes; but the representatives of the Government ought to be able to say whether the imprisonment proposed is too great or is not great enough. Senator Keating has very properly said that he would like further time to consider the matter, and no one can deny that that is a very reasonable request. The original discussion which took place last year was as to whether we had not all these powers by virtue of the Constitution. It was suggested that a doubt had arisen. You, sir, interjected when I

was speaking, "Has the Attorney-General any doubt?" and I said—

I cannot say that I am oppressed with any great doubt on the subject.

In point of fact, I have no doubt whatever that the whole of these powers are enjoyed under the Constitution. But if it is desirable to remove the doubt, unquestionably this Bill is a perfectly proper one to be introduced. The question is, are we to enact, in place of a Bill of three or four clauses, a Bill of seventeen clauses, containing penal provisions of a very drastic and severe order? The Committee certainly ought to have an opportunity to consider these proposals, now that it is intimated that they are to be inserted practically *en bloc*, before we seek to place them on the statute-book.

Senator FRASER (Victoria).—I listened to a second-reading speech on a short Bill without apprehension of any wrong arising out of its provisions; but now we are asked to accept a Bill with eighteen strongly-worded clauses affecting the liberty of the subject, without any information having been afforded. Surely a second-reading speech should be made when we are asked to pass an entirely new Bill, lock, stock, and barrel. I have not the least objection to Senator Neild getting the credit of introducing a Bill of this vast importance, but I should much prefer that it was introduced by the Government. At any rate, the Government should be sponsor to the Bill, if not its actual father. We are asked to take a departure from parliamentary procedure.

Senator STEWART (Queensland).—The best thing we can do is to get on with business. This Bill was introduced last year by Senator Neild, and after it was debated and read a second time it was referred to the Standing Orders Committee. Since the presentation of its report ample opportunity has been afforded to honorable senators to make up their minds, but now, apparently, for some reason or other, they do not feel inclined to go on with the Bill. I do not see what they can have to cavil at. The amendments suggested by the parliamentary draftsman can be embodied in the Bill.

Senator Lt.-Col. NEILD (New South Wales).—Merely to show that there has been no surprise sprung on the Committee, that honorable senators have had every opportunity not only of pursuing the proposals of the Standing Orders Committee,



but of knowing my intention, explicitly uttered here, I propose to refer to what I said exactly four weeks ago. I said—

I move—

That this Senate resolve itself into Committee of the whole to consider the Parliamentary Evidence Bill.

I understand that the amendments which have been proposed in this Bill by the Standing Orders Committee, and which are fairly extensive, have only very recently been received from the Government Printer. What it is proposed to go into Committee to consider is really the report of the Standing Orders Committee. The revised copy of the Bill, however, has not been circulated sufficiently long, I think, to enable the Committee to usefully proceed this afternoon. Therefore, I only propose to go into Committee formally to enable the report of that body to be received, and possibly to pass the first clause of the Bill, so that honorable senators may have full opportunity to consider the amendments proposed.

What would have been thought of me by honorable senators, who were clamouring against proceeding with the measure, if, in face of the recommendations of the judicial tribunal of the Senate who prepared a number of elaborate machinery details, I had chosen to come here and sweep all their recommendations on one side, and set up my individual clauses in preference to theirs? That is what Senator Clemons is girding at.

Senator CLEMONS.—We are suggesting that the honorable senator should do just the opposite.

Senator Lt.-Col. NEILD.—The honorable and learned senator is girding at me because I am willing to accept the clauses drafted by that judicial tribunal in preference to my own. The question as to who is to have any satisfaction from the passing of the measure is a small matter. Because if any one seeks for kudos as to its origin, the whole Senate has not the power to take from me the satisfaction of knowing that I initiated the measure. If honorable senators simply choose, by some very unusual process which I do not, for an instant, suppose any decent majority here would propose to do, to take the measure out of my hands, they are welcome to take that course. They will only be dancing to my original fiddling. If Senator Clemons wishes to dance to my fiddling, let him do so; I shall be perfectly satisfied. I do not choose to take up this attitude of personal interest, but I do submit that it is utterly unfair that, when I have followed out a strict course of

agreement with the wishes of the majority and am simply asking the Committee to consider an individual clause containing no penalty, but only interpretations prepared by the Standing Orders Committee, I should be met with accusations of a character which are rather unusual to be used in Parliament with reference to one occupying such an absolutely clear position as I do.

Senator GRAY.—What are the accusations?

Senator Lt.-Col. NEILD.—The honorable senator is too good a member of the Chamber to make any accusation, and I do not refer to him. I am sure he would not do such a thing.

Senator GRAY.—I do not think I heard any accusations made.

Senator Lt.-Col. NEILD. — Senator Symon wishes to know what the action of the Government is in this matter. It is a most extraordinary thing that, when I am willing to adopt the recommendations of the Standing Orders Committee I should be girded at and brow-beaten to go on with my own clauses, and not those prepared by what I am willing to recognise as a wiser tribunal than that of any single intellect. The Minister representing the Government in this matter made this statement to the Senate on the 27th July—

The course which Senator Neild proposes to follow meets with the concurrence and support of Ministers, namely, to have the Bill and report now remitted to a Committee of the whole Senate; but, inasmuch as the suggested amendments and the report of the Standing Orders Committee have not been printed sufficiently long to enable honorable senators to acquaint themselves with all particulars, it is thought best that after the consideration of one or two of the minor clauses this afternoon progress should be reported, and the consideration of the Bill in Committee should be resumed at a convenient date.

I named a date a whole month ahead, and now I am accused of something like an attempt to spring a surprise on the Committee. If honorable senators, after having the report of a Standing Orders Committee placed in their hands four weeks ago, choose to come here and plead ignorance of the document, they are making a confession, either of personal carelessness, or of intellectual incapacity, which they would be the first to resent if any one ventured to address such a suggestion to any one of them. I do not. I do not think that honorable senators are ignorant of the details of this matter. But I do think that something that occurred last night accounts for the sudden forgetfulness.

Senator FRASER.—Did the honorable senator do anything wrong last night?

Senator Lt.-Col. NEILD.—I think that my venerable friend's own experience, and his knowledge of my character, should be a sufficient answer to that question.

Senator KEATING (Tasmania—Honorary Minister).—Before Senator Neild turned up the reference to my remarks when this Bill was last before honorable senators, I had referred to them. I find that what he proposed to do was to get the Bill into Committee, in order that we might consider it as it stood in conjunction with the amendments recommended by the Standing Orders Committee. I, on behalf of the Government, expressed their concurrence in that course, and indicated that it was not intended to go any further with the Bill on that occasion, in order that honorable senators might have an opportunity to consider the recommendations. The attitude of the Government is an indorsement of the recommendations of the Standing Orders Committee. We were prepared to accept a Bill of the character recommended. The subject had been considered by the Government. The adjournment that was suggested after the disposal of the first clause was to enable honorable senators to acquaint themselves with what was proposed. If Senator Neild proposes to confine himself to the consideration of the Bill as originally submitted, and to the amendments recommended by the Standing Orders Committee, I do not think that I should be adhering to the attitude previously taken up if I opposed him.

Senator MILLEN (New South Wales).—I think that it is a matter of considerable regret that when any matter, even of so apparently innocent a character as this, comes before the Senate, one is not able to voice an objection, either to the measure itself, or to the procedure proposed to be adopted, without being met by suggestions as to motives, such as Senator Pearce ventured to make, or by open discourtesy, such as that of which I complain, on the part of Senator Neild. Speaking with his back to me, Senator Neild made some reference to a document which he was about to quote. Not being able to hear, I asked him what it was that he was quoting. The Committee is aware of the answer that he gave. If we have reached a stage in debate when an honorable senator cannot ask another to name the document from which he is quoting, without receiving a discourteous reply,

it indicates a deplorable condition of feeling which is not likely to conduce to the smooth and satisfactory transaction of public business. I will leave Senator Pearce to deal with his insinuation as to motives, merely asking him whether it is not a sudden liking for Select Committees which has led to this community of interest between himself and the honorable senator in charge of the Bill. One of the objections which I see to the procedure proposed is this: Senator Neild proposes to strike out two clauses in addition to the one which has been negatived. In doing so we shall negative certain propositions. He proposes to ask us to adopt certain clauses in substitution. Thereby he asks us to reaffirm the same propositions as we shall have previously negatived. Now, without claiming to have an intimate knowledge of the Standing Orders of the Senate, I do not think that that can be done.

Senator PEARCE.—Is not that splitting straws?

Senator MILLEN.—I suppose it is always splitting straws when an objection is made to a course which the honorable senator wishes to have taken. We have struck out a proposition to the effect that evidence may be taken on oath. Senator Neild now wishes us to affirm a clause containing the principle that evidence may be taken on oath. I submit that it is not possible to affirm a principle one moment which we negatived a few moments before.

Senator Lt.-Col. NEILD.—I rise to order. The question before the Committee is the insertion of new clause 2, and that clause is not in conflict with anything that has been struck out. Therefore, the honorable senator cannot apply the objections he mentions to the clause proposed to be inserted.

Senator MILLEN.—What we are doing is to strike out a clause affirming a certain principle, and Senator Neild has intimated that later on he proposes to move the insertion of another clause affirming the same principle. It seems to me that either we must throw aside our Standing Orders, or must carry them out, in which case the only course will be for Senator Neild to withdraw the Bill at this stage, with a view of introducing another one.

The CHAIRMAN.—I have already indicated to Senator Neild, when he proposed to strike out a number of clauses, that standing order 195 provides that no clause or amendment shall be at any time proposed which is substantially the same as one already negatived by the Committee. But

Senator Millen is wrong in supposing that there is anything in this proposed new clause which is in conflict with a clause that has been negatived.

Senator MILLEN.—I was referring to clause 11.

The CHAIRMAN.—It will conduce to the speedy transaction of business if we deal with clauses as they arise. Clause 2 has been struck out, and it is proposed to insert a new clause. When we reach clause 11, if we have already struck out a clause which embodies the principle contained in clause 11, Senator Millen can take a point of order.

Senator CLEMONS.—I submit that this is not the time for the insertion of new clauses in the Bill. If Senator Neild assures us that clause 2 in the Bill, as prepared by the Standing Orders Committee, is to be in substitution for clause 2 in the Bill introduced by him, I have nothing more to say. But if, as I gather, there is to be a new clause, I submit that this is not the time to deal with it.

The CHAIRMAN.—It was our practice prior to the adoption of the present Standing Orders to take new clauses after all the clauses as printed had been dealt with. But since the present Standing Orders have been in operation it is in order to take clauses as printed and proposed new clauses in their order.

Senator CLEMONS.—Can a new clause be taken now?

The CHAIRMAN.—Yes.

Senator MILLEN.—I wish to know whether you rule that paragraph 1 of standing order 192 means that we can take clauses, as printed, and proposed new clauses sandwiched in with them, or whether the proper procedure is not to deal with printed clauses first and proposed new clauses subsequently?

The CHAIRMAN.—The practice has been, since the adoption of the new Standing Orders, to take new clauses in their order as proposed, and not to wait until the whole of the clauses of the Bill have been dealt with. The point has been taken on several occasions, and rulings have been given to that effect.

Senator Lt.-Col. NEILD (New South Wales).—As I apparently misunderstood Senator Millen in regard to the question which he put to me a little while ago, and, owing to the misunderstanding, replied with an asperity that the circumstances did not warrant, and which our personal friendship one for the other would warrant still less, I

offer to him in the freest manner possible the expression of my great regret that I misunderstood him, and made a reply that was unworthy of myself.

Senator MILLEN.—After that, the honorable senator must get his Bill.

Proposed new clause agreed to.

Clause 3—

The President of the Senate, the Speaker of the House of Representatives, and the Chairman or member presiding at any sitting of any Committee of the Senate or of the House of Representatives shall each have authority to administer oaths or affirmations to witnesses.

Senator MILLEN (New South Wales).

—Is it proposed to retain clause 3? If so, what becomes of clause 3 in the recommendations of the Standing Orders Committee?

Senator Lt.-Col. NEILD (New South Wales).—It will not be necessary to strike out clause 3, but simply to amend it so as to make it conform with the recommendations of the Standing Orders Committee, that the oath should be administered by the Clerk. We might so amend the clause as to provide that, instead of the President or Speaker administering the oath, the Clerk or the Chairman of the Committee should do so.

Senator PEARCE.—Strike out all the clause, and then propose the provisions recommended by the Standing Orders Committee.

Senator Lt.-Col. NEILD.—There is a difficulty about taking that course under standing order No. 192. To act on the suggestion of the honorable senator, the Bill would have to be recommitted.

Senator PEARCE.—Then recommit the Bill.

Senator Lt.-Col. NEILD.—I am quite willing to adopt that course. I ask the Committee to negative clause 3.

Senator PEARCE (Western Australia).—If we start amending clauses we shall only give rise to great confusion. Senator Neild gave the Committee to understand that he would ask us to strike out the remaining clauses, with a view to considering the clauses recommended by the Standing Orders Committee.

Senator Sir JOSIAH SYMON (South Australia).—I suggest that it would be much better if the House were to resume, and Senator Neild were to seek the assistance of the officers of the House in putting the Bill into the form in which he asks the Senate to deal with it, showing in red ink the suggested amendment. We do

not seem to be proceeding now in the right way to legislate on an important matter of this kind. I make the suggestion with a view, as I said last year, of removing a doubt which exists as to whether Committees of Parliament have, under the Constitution, power to administer an oath. I ask Senator NEILD, in the most good-humoured way, to adopt the course I have indicated, and I shall be glad to afford him any assistance, which, it would appear, the Government are not inclined to extend.

Senator Lt.-Col. NEILD (New South Wales).—I accept Senator Symon's suggestion—tendered in a humorous spirit—as one of the most cheerful I have ever had offered for my acceptance. But as all that the honorable and learned senator desires may be accomplished by a certain number of honorable senators simply saying "no" to the two clauses as they are submitted, I do not feel I should be justified in burdening any one in the way suggested. If Senator Symon will say "no," he will, as I say, achieve his object, and I shall be happy to join the honorable and learned senator in the pleasant duo.

Clause negatived.

Clause 4 negatived.

Senator Lt.-Col. NEILD (New South Wales).—There now remain the title of the Bill and clauses 1 and 2, and I propose to submit clause 3 as recommended by the Standing Orders Committee. The Bill, as originally drawn, was in strict accord with the Act controlling the British House of Commons, and was settled by the parliamentary draftsman at my request. The new clauses submitted are an elaboration of the British Act: and I hope that now we shall proceed with the consideration of the measure with reasonable celerity. I move—

That the following proposed new clause be inserted:—

"3. (1) Either House may summon witnesses to appear before it to give evidence and produce documents.

(2) Any Committee, if thereto authorized by the Senate or the House of Representatives, as the case may be, may summon witnesses to appear before it to give evidence and produce documents."

Senator Sir JOSIAH SYMON (South Australia).—Is there any precedent for the first sub-clause, which appears to me to be derogatory to the power of Parliament? There has always been power on the part of Parliament to summon witnesses; and this provision would appear to reduce a legislative House to the level of an ordinary court, which may require power to sum-

mon witnesses to be given to it. If there had been a precedent for the first sub-clause, I have no doubt the fact would have been stated in the margin, as in the case of the second sub-clause. I take no responsibility for this provision, nor does Senator NEILD himself.

Senator Lt.-Col. NEILD. — Senator Symon must take some responsibility, because he was a member of the Standing Orders Committee, who made the recommendation.

Senator Sir JOSIAH SYMON.—The honorable senator is entirely mistaken.

Senator Lt.-Col. NEILD.—Then I beg the honorable and learned senator's pardon.

Senator Sir JOSIAH SYMON.—Which I at once grant; but I ask the honorable senator not to be so ebullient in temper when he thinks some one else has made an error.

Senator GUTHRIE. — Senator Symon's name appears as a member of the Standing Orders Committee.

Senator Sir JOSIAH SYMON.—I have the honour to be a member of that Committee now, but I was not a member when this matter was considered. Had I been in office, I should have done as I did last year — I should have given the matter careful and detailed consideration, and suggested any amendments I thought would improve the measure. I now make the suggestion that the clause is derogatory to this Parliament, and ask whether there is any precedent for such legislation.

Senator Sir RICHARD BAKER (South Australia). — I think the honorable and learned senator will find a precedent in the Act of Parliament which was passed to give the House of Commons this power.

Proposed new clause agreed to.

Amendments (by Senator Lt.-Col. NEILD) agreed to—

That the following proposed new clauses be inserted:—

"4. A summons to a witness may be in accordance with Form A in the schedule, and shall be signed by the President, or by the Speaker, or by the Chairman, as the case may be."

"5. A summons to a witness may be served upon the witness either personally or by being left at or sent by post to his usual place of business or of abode."

"6.—(1) If any witness, upon whom a summons under this Act has been served, fails to appear or to continue in attendance in obedience to the summons, the President, or the Speaker, as the case may be, may issue a warrant for his apprehension.

(2) The warrant may be in accordance with Form B in the schedule, and shall authorize the apprehension of the witness, and his being brought

before the House or the Committee, and his detention in custody for that purpose until he is released by order of the President, or the Speaker, as the case may be.

(3) The warrant may be executed by the person to whom it is addressed or by any person whom he appoints to assist him in its execution, and the person executing the warrant shall have power to break and enter any building, place, or ship for the purpose of executing it."

Amendment (by Senator Lt.-Col. NEILD) proposed—

That the following proposed new clause be inserted:—

"7. Any witness who, being apprehended by virtue of a warrant of apprehension issued under this Act, escapes from custody, shall be guilty of an indictable offence.

Penalty: Two years' imprisonment."

Senator Sir JOSIAH SYMON (South Australia).—I should like to ask what court will have jurisdiction to deal with offences under this clause?

Senator Lt.-Col. NEILD (New South Wales).—I think the courts to deal with offences under the laws of the Commonwealth are already provided for.

Senator Sir JOSIAH SYMON.—Not courts for criminal offences.

Senator Sir RICHARD BAKER (South Australia).—This matter was considered by the Standing Orders Committee, and I was in doubt myself as to what courts would deal with offences under the Bill. The parliamentary draftsman considered the matter, and I think, though I am not quite sure, that he consulted the Attorney-General.

Senator Sir JOSIAH SYMON.—No, he did not.

Senator Sir RICHARD BAKER. — I think the honorable and learned senator was not Attorney-General at that time last year.

Senator Sir JOSIAH SYMON.—I was Attorney-General when this Bill was before us.

Senator Sir RICHARD BAKER.—At any rate, the Parliamentary Draftsman appeared before the Standing Orders Committee, and told us that he did not think it was necessary to indicate what courts could try offences under the Bill. As I say, I have some doubt, and I raised the question; but it is such a long time ago that I forget the reasons—though reasons were given—on which the parliamentary draftsman based his opinion.

Senator Sir JOSIAH SYMON (South Australia).—It is very difficult, as the President would be the first to acknowledge, to determine a matter of this kind, and I should be sorry to give an opinion offhand.

The same difficulty which Senator Sir Richard Baker has suggested occurs at once to any one who looks at the clause. The High Court, for instance, has no jurisdiction at present, and, unless there is some other mode of dealing with offences, the matter requires elucidation. I point out, however, that this Bill, if passed, will, probably give rise to a good deal of litigation, when an opportunity will be presented of determining this very important question.

Proposed new clause agreed to.

Senator Lt.-Col. NEILD (New South Wales).—I move—

That the following proposed new clause be inserted:—

"8. Whoever assaults, resists, molests, or obstructs any person in the execution of a warrant of apprehension issued under this Act shall be guilty of an indictable offence. . . .

Penalty: Three years' imprisonment."

I am already on two Committees of the Senate, but I am not, and have not been, a member of the Standing Orders Committee. I, therefore, have no knowledge of the proceedings of that Committee. If any question should arise on these clauses, I shall be grateful to the President, or to any member of the Standing Orders Committee, who can throw any light upon it. I admit that it is of no use to appeal to me as to why the Standing Orders Committee have recommended certain provisions, because I do not know.

Senator CLEMONS (Tasmania).—We really have arrived at a most extraordinary stage in the consideration of this Bill. I do not blame Senator Neild for saying that he is not here to answer a question as to what Courts shall deal with these matters.

Senator Lt.-Col. NEILD.—It is not a question of a Court; it is a question of apprehension.

Senator CLEMONS.—There is a penalty of three years provided, and I presume that that cannot be imposed without the interference of some Court. If Senator Neild can indicate the Court which will deal with these offences, I shall be glad if he will do so. Senator Baker has informed the Committee that the parliamentary draftsman told the Standing Orders Committee that, in his opinion, it was not necessary to indicate the Court. I think it is most necessary. At the same time, I think it is quite impossible. I hope that Senator Baker will be able to give some reason why the Standing Orders Committee have recommended the adoption of penal clauses, which must be quite futile.

Senator Sir RICHARD BAKER (South Australia).—It is a long time since the Standing Orders Committee considered this matter, and I do not pretend to recollect everything that took place. I do remember that I raised the question as to what Court should be competent to try these offences, and I pointed out that the Commonwealth Judges had no criminal jurisdiction. The parliamentary draftsman attended, and convinced the Standing Orders Committee that I was wrong, and that State Courts, or the Supreme Court of the Commonwealth, could try these cases. Whether that contention is right or wrong, I am not now prepared to say, but we were convinced at the time, and it is too much to ask me what arguments were used by the parliamentary draftsman ten months ago to convince the Standing Orders Committee. If there is any doubt on the subject, it would, perhaps, be as well to get the opinion of the Attorney-General. I should not take the responsibility of saying that a Court need not be indicated, because I had doubts on the subject before, and raised the question. As I have said, we were convinced at the time by the parliamentary draftsman that my doubts were not well founded.

Senator CLEMONS (Tasmania).—I suggest that the best course to pursue in the circumstances is to postpone the clause. I am sure that Senator Neild will not ask the Committee to rush this clause through after what we have heard from Senator Baker.

Senator O'KEEFE (Tasmania).—In all fairness to honorable senators, if Senator Neild did not know anything about the reasons for the proposed alterations in this measure, it was his duty to get that information from the Standing Orders Committee. As a layman, I am trying to worry through the real meaning of these clauses, and I must look to Senator Neild, as sponsor for the Bill, for information. When the honorable senator admits that he does not know why certain alterations are suggested, he should at least name some member of the Standing Orders Committee who can give the information which he is himself unable to give.

Senator KEATING (Tasmania—Honorary Minister).—I have always had the impression that it was competent for the Commonwealth Parliament in its legislation to define certain statutory offences which were not in existence prior to the establishment of Federation.

Senator Sir RICHARD BAKER.—It has done so in the Customs Act.

Senator KEATING.—And that every Court in a State which would be capable of taking cognizance of common law or State statutory offences of a similar character would not only be capable, but would be bound, when necessary, to take cognizance of offences that were created by the Commonwealth statute. We must always bear in mind sub-section xxxix. of section 51 of the Constitution, under which it is provided that the Parliament shall, subject to the Constitution, have power to make laws for the peace, order, and good government of the Commonwealth with respect to—

xxxix. Matters incidental to the execution of any power vested by this Constitution in the Parliament or in either House thereof, or in the Government of the Commonwealth, or in the Federal judicature, or in any Department or officer of the Commonwealth.

It is a very well-known principle of jurisprudence, and I might almost say it is the fundamental principle of jurisprudence, in connexion with legislation, that all legislation to be effective must have some sanctions attached to it, some prospect of penalties or punishment held out by the law, and backed up by the strong arm of the law, to compel adherence on the part of everybody to the provisions of such legislation. If we have power to legislate in any particular direction, we have power also to render our legislation effective by providing adequate sanctions. We have power to provide the way in which parliamentary evidence shall be taken, and incidental to that power we have the necessary power to compel the observance of that legislation.

Senator Sir JOSIAH SYMON.—If we have power to impose a duty, we have power to enforce the performance of that duty by imposing a penalty.

Senator KEATING.—Exactly.

Senator CLEMONS.—What Court will impose this penalty?

Senator KEATING.—Any Court in the Commonwealth capable of dealing with an indictable offence. The covering section 5 of the Constitution provides that—

This Act, and all laws made by the Parliament of the Commonwealth under the Constitution, shall be binding on the Courts, Judges, and people of every State, and of every part of the Commonwealth, notwithstanding anything in the laws of any State.

I think that is intended to impose upon the Courts of the States, and of every part

of the Commonwealth, the necessity of regarding, recognising, and acting under Commonwealth laws. If we provide that a certain thing shall be an indictable offence, any one who has committed, or is alleged to have committed, that indictable offence in any State of the Commonwealth can be prosecuted as he would ordinarily be prosecuted in a State matter in relation to common law, or in respect of a State statute matter, which was the subject of indictment. We provide simply that in certain circumstances a person shall be guilty of an indictable offence, and he can then be prosecuted in any Court of the State in which he is that has power to take cognizance of indictable offences, and can be dealt with in accordance with the procedure of that Court in respect of all indictable offences. We have that full power, and if we could not throw upon the Courts of the States the obligation to give effect to Commonwealth provisions in respect to indictable offences, we should find ourselves hampered and crippled in the exercise of almost all the powers given to us under the Constitution.

Senator MILLEN.—The question is not whether we have power, but whether we have taken legislative means to give effect to our enactment. We have done so in civil cases, but have we done so in criminal cases?

Senator KEATING.—As soon as we provide that a certain thing shall be an indictable offence we create an offence punishable by proceedings on indictment. Having done that, every Court of a State competent to take cognizance of such matters at present, is, by the covering section 5 of the Constitution, competent to take cognizance of this indictable offence when brought before it.

Senator DOBSON.—The law officers think that no particular section is necessary to confer this jurisdiction.

Senator KEATING.—Apparently.

Senator Lt.-Col. NEILD (New South Wales).—As we have already passed clause 7, providing for a penalty, it does not appear to me that we need stop now. But I make a definite promise that I shall institute full inquiries into this matter—other honorable senators may do the same if they please—and if, at a later stage, it should seem in any way desirable to re-discuss clauses 7 and 8, I shall be quite willing to consent to a recommitment of the Bill for that purpose.

Senator MILLEN (New South Wales).—I have a word or two to say on the penalties proposed. It appears to me that in the preparation of Bills for the Commonwealth we have in every case adopted the maximum penalty for an offence which prevails anywhere. Honorable senators will notice from the marginal notes of the clauses in the report of the Standing Orders Committee that this legislation is not based on the legislation in any particular place. The Committee would appear to have jumped from Canada to Queensland, and have in every case adopted the highest penalty. If Canadian legislation suggests the highest penalty, they have copied the Canadian legislation, and if Queensland or New South Wales legislation proposes a higher penalty for some particular offence, they have adopted the Queensland or New South Wales provision.

Senator DOBSON.—It is merely a maximum penalty in every case.

Senator MILLEN.—I quite recognise that, but I am referring to the tendency in our Commonwealth legislation to make penalties as high as possible.

Senator PEARCE.—What is the penalty in New South Wales for this offence?

Senator Lt.-Col. NEILD.—Seven years.

Senator MILLEN.—I do not think it is. I think that the only corresponding enactment that we have in New South Wales is the Royal Commissions Act, and there is no seven years penalty provided for in that Act.

Senator Lt.-Col. NEILD.—I think there is in the Parliamentary Evidence Act.

Senator MILLEN.—I suggest to the honorable senator in charge of the Bill that the maximum penalty proposed for an offence of this kind is too high. I venture to say that if we take the Acts passed by the several Parliaments, we shall find that the penalties imposed by them for such offences exceed those imposed by the legislation of any other civilized country.

Senator Lt.-Col. NEILD (New South Wales).—Three years does seem to be a very high maximum penalty, and I am willing to reduce it.

Senator GUTHRIE.—In the original Bill the honorable senator proposed a penalty of five years.

Senator Sir JOSIAH SYMON.—That was for perjury.

Senator MILLEN.—It was for quite a different offence.

Senator Lt.-Col. NEILD.—If we are on the side of mercy, I am sure we shall have the support of Senator Guthrie.

Senator SIR JOSIAH SYMON (South Australia).—I think that Senator Neild will be disposed to reduce the penalties when he is reminded that this offence is somewhat similar to the ordinary offence of resisting the police, which is dealt with by a police magistrate, and a penalty—usually a monetary one—is inflicted according to the degree of resistance.

Senator GUTHRIE.—A fine of £20 or £30.

Senator Sir JOSIAH SYMON.—The penalty may be imprisonment for a week or a fortnight or a month. It is not desirable to cover the statute-book with offences, and make things criminal which contain no criminal element. The committing of offences is bad, and necessarily the arm of the law should extend to them and punish them. On the other hand, there is nothing more to be avoided in legislation than creating new offences and attaching heavy terms of imprisonment to them.

Senator Lt.-Col. NEILD.—What does the honorable and learned senator suggest?

Senator Sir JOSIAH SYMON.—The resisting of the police, or the resisting of a warrant of apprehension, ought not to be made an indictable offence, but an offence punishable on summary conviction before a police magistrate. In the preceding clause, the expression used is "escaping from custody," not "escaping from custody without reasonable cause." The escaping from custody may have been unintentional. We cannot expect laymen like Senator Neild to be familiar with all these matters. I merely call attention to them because we know that "resisting the police" is an offence usually punishable on summary conviction. No doubt a Judge who was trying a case under this provision would tell the jury in certain circumstances that the offence was contemptible, and the charge ought not to have been brought, but still the jury would be entitled to return a verdict of guilty, and so brand the man as a convicted felon, when, perhaps, what he did was, after all, very venial. I invite Senator Neild not to take the Bill out of Committee this evening, but to consider whether these offences may not be treated like the ordinary offence of resisting the police, punishable on summary conviction.

Senator Lt.-Col. NEILD (New South Wales).—There is so much in what has been urged by Senator Symon, that I am rather inclined to agree with him. I have seen a Serjeant-at-Arms resisted in a Legislative Assembly.

Senator GUTHRIE.—But this is a case of assaulting a person.

Senator Lt.-Col. NEILD.—Well, I have seen an assault committed on a Serjeant-at-Arms. A man can commit an assault on a person by merely pointing a loaded rifle at him, although he is 1,000 yards away. Perhaps the Standing Orders Committee erred on the side of severity in this matter. As a layman, I am not sufficiently acquainted with the intricacies of legal procedure to instantly suggest the phraseology of an amendment which would bring this particular offence into the category of an offence punishable on summary conviction. If Senator Keating cannot supply me with the words of an amendment, I would ask the Committee to postpone the clause.

Senator Sir RICHARD BAKER (South Australia). — Before the clause is postponed I would ask honorable senators to consider the position of the Senate. It is suggested that if a warrant is issued by the Senate, it may be set at naught, that a person may obstruct the officer intrusted with the execution of a warrant, and that only a small offence will thereby be committed. I take the view that the position of the Senate is such that it ought to enforce its power and authority by severe punishment. I am not wedded to a term of three or two years, but I submit that we ought not to bring the Senate down to the position of a police magistrate.

Senator Sir JOSIAH SYMON (South Australia).—I think that Senator Baker has entirely misunderstood what I said. I did not say or suggest for a moment that the Senate should be brought down to the position of a police court. What I do say is that the dignity of the Senate does not require to be supported by creating indictable offences, and making a man a criminal, liable to be placed in the dock, simply because he may have technically obstructed the execution of a warrant for his apprehension.

Senator TRENWITH. — In that case the criminal is made, not by the Senate, but by himself.

Senator Sir JOSIAH SYMON.—Surely a penalty can be imposed which does not require a man to be charged with a



criminal offence, and branded as a felon. "Obstructing the execution of a warrant" is, I repeat, simply "resisting the police." The warrant will not be executed by the Senate, but by an executive officer, probably a policeman. If there is a resistance of a constable, that surely is punishable in a Court of summary jurisdiction. What I object to is that the Senate should make that act an indictable offence, however venial it may be. In this country we ought not to be so ready to create indictable offences punishable by imprisonment. Of course it may be said that the dignity of the Senate requires that no ordinary penalty should be inflicted, but that we ought either to give a year's imprisonment or go back to the time of the Inquisition and satisfy our dignity by handing the man over to the rack and the thumb-screw.

Senator MCGREGOR.—Do not exaggerate.

Senator Sir JOSIAH SYMON.—It is only a question of degree.

Senator MCGREGOR.—Cannot the honorable and learned senator leave that to the Court? It will discriminate.

Senator Sir JOSIAH SYMON.—I am quite willing to leave the matter to the Court, but we are asked to say that it shall be an indictable offence. Let us look at the next clause—

Whoever, by act or omission, dissuades or prevents any witness from obeying a summons under this Act shall be guilty of an indictable offence.

I cannot understand how you can, by omission, dissuade a man from attending, but still there it is provided in the clause. I am not responsible for the Bill, and I merely take the liberty of pointing out these matters with a view to making it sensible, and preventing the Senate from becoming a laughing stock.

Senator KEATING.—It might be by omitting to deliver a notice.

Senator Sir JOSIAH SYMON.—Of course no one can tell what the clause does mean; but I shall accept that as possible. If a man omits to serve a notice to produce some books is that to be an indictable offence? Surely not! What Senator Neild said is very reasonable, and I am sure he will have the assistance of Senator Keating to prepare suitable amendments. He shall have any assistance I can give him.

Senator KEATING (Tasmania—Honorary Minister).—In my opinion the expression "indictable offence" in these clauses

is open to some criticism. The Acts Interpretation Act of 1904 does not contain a definition of what the term was deemed to include, but section 27 of the Acts Interpretation Act of 1901 says—

In any Act unless the contrary intention appears—

(a) The word indictment shall include information.

In some States, for instance, in Tasmania, the Crown never prosecutes for a criminal offence by indictment, but by what is called a criminal information.

Senator Sir JOSIAH SYMON.—That does not alter the character of the offence.

Senator KEATING.—No; but the Act of 1901 makes express provision to include "information" in "indictment." It might be argued from that fact that the word "indictment," or any adaptation of the idea of indictment, is always to carry a similar idea in connexion with "information"; there is a rule of construction which provides for that. But where an Act constitutes an offence, and the liberty of the subject is involved, it always receives the most strict interpretation—as strict as possible against the Crown, and as favorable as possible to the accused. It might be argued that although we had constituted a thing an indictable offence in a certain State in which informations took the place of indictments, it would not be an offence that could be dealt with in its Courts. This matter came under my notice a little while ago, after we had provided in the Wireless Telegraphy Bill for a very heavy maximum penalty. Senator Millen raised a criticism as to its imposition. Having inserted a very heavy maximum penalty, which carried with it the alternative of imprisonment, I brought down a new clause, which I would recommend to Senator Neild as the form of a clause which would meet all these cases and perhaps satisfy the criticism of Senator Symon. It reads in this way—

Proceedings for any offence against this Act may be instituted in any Court of summary jurisdiction, and any person proceeded against under this section may be dealt with summarily, or may be committed for trial.

If that provision, with necessary alterations, were adopted, it would be competent for the prosecuting officer to prosecute, in the first instance, in a Court of summary jurisdiction, and if that Court considered that the circumstances surrounding the alleged offence were so trivial as not

to warrant the infliction of punishment above its maximum powers, in accordance with the Acts Interpretation Act, it would proceed to deal summarily with the man. But if the circumstances of the case disclosed an offence of such great gravity that it deserved very severe punishment, then the Court could exercise its option of dealing with the man there and then, or sending him on for trial. Honorable senators will notice that in clause 8A of the Wireless Telegraphy Bill I did not adopt the words of the Acts Interpretation Act, "may be prosecuted on indictment," but used these words "may be dealt with summarily, or may be committed for trial." If Senator Neild, after providing for his penalties, would provide that the proceedings in respect of any offence may be instituted in a Court of summary jurisdiction, I think it would meet the case.

Senator Lt.-Col. NEILD (New South Wales).—I understand that Senator Keating practically suggests the omission of the word "indictable," and at a later stage in the Bill proposes the insertion of a provision similar to that in the Wireless Telegraphy Bill, which should meet with the approval of Senator Symon. If the offence is trivial it can be dealt with summarily. If it is a grave offence, the person can be committed for trial at the discretion of the magistrate. That is a wise proposal, and I should be very glad to see it inserted. I am prepared to move that the proposed new clause be amended by leaving out the word "indictable" and by leaving out the word "three," with a view to insert in lieu thereof the word "one."

Senator MILLEN (New South Wales).—It appears to me that not only should the term of imprisonment be reduced, but that there ought to be an alternative money penalty. Some of the offences might be of such a trivial character that they would be met by the imposition of a small fine. What the amount should be I am not in a position to state. Perhaps £20 would be sufficient. If Senator Neild will agree to amend the clause in that direction I shall be satisfied.

Senator Lt.-Col. NEILD.—I agree to that.

Senator CLEMONS (Tasmania).—I remind the Committee that we have passed a Royal Commission Act, under which the penalty is £50. I therefore hope that Senator Neild will consider the wisdom of

abolishing the term of imprisonment altogether, and substituting a money penalty.

Senator GUTHRIE (South Australia).—I hope that Senator Neild will not give way an inch in the direction suggested. It would simply mean that the man who had money need not go to gaol, whilst the man who could not pay a fine would have to be imprisoned. That would be class legislation in favour of the rich. Who is the man who would be likely to refuse to give evidence before a Select Committee? He who had something to hide, and would probably have been making money by improper practices. A fine of £50 or £100 would be nothing to such a man. I trust that we shall adhere to the Bill as drafted by the Standing Orders Committee, who have thoroughly considered the subject. This amendment has been asked for by some who represent the wealthy portion of the community, and who wish to shape the Bill to suit them.

Senator Sir JOSIAH SYMON.—Does not the honorable senator represent the wealthy portion of the community?

Senator GUTHRIE.—I endeavour to represent all classes, and to do justice to all. To insert a money penalty in a Bill of this character is not to do justice to all classes, because it means that the man who cannot pay £25 has to go to gaol. I would make no exception. If a man breaks the law, let him suffer for it, and let the same penalty be incurred whether he is rich or poor.

Senator Sir JOSIAH SYMON.—The honorable senator wants to have imprisonment for the well-to-do man and a fine for the poor man.

Senator GUTHRIE.—I do not. I have expressed the very opposite opinion. I would serve all alike. What is the use of fining a poor man £20? He has not got the money, and must go to gaol.

Senator MILLEN.—Has the honorable senator overlooked the fact that for a second offence a person may be imprisoned?

Senator GUTHRIE.—If a man commits an offence a second time it is right to imprison him. Witnesses from all sections of the community are examined by Select Committees. A witness may have been making large sums of money out of the very practices about which he is to be examined by a Committee. Take some of the cases inquired into by the Butter Commission in Victoria. Some of the men were making piles of money out of secret commissions.

Senator TRENWITH.—And refused to produce their books.

Senator GUTHRIE.—It would be quite easy for a man of that kind to pay a fine of £500, and still have a large credit balance.

Senator Lt.-Col. NEILD.—I propose to reduce the three years' imprisonment to one year, and in the next clause to provide for a penalty of £50 as a maximum. The amount of fine actually inflicted might be only 5s.

Senator GUTHRIE.—That is what I protest against. The honorable senator proposes to regard a fine of £50 as equivalent to imprisonment for twelve months. The man who can raise £50 is to receive no more trouble, but the man who cannot afford £50 must go to prison. That is most unfair.

Senator Sir JOSIAH SYMON. — Can the honorable senator give us an illustration of what he means?

Senator GUTHRIE.—Take the case of the Machine Shearers' Union in New South Wales. That bogus union absolutely refused to allow its secretary to appear before a Royal Commission, and special legislation had to be passed to deal with the matter. Suppose a Select Committee of the Senate sits, witnesses are summoned, and on the day of meeting a witness does not arrive. The members of the Committee will have been brought from all parts of Australia at great inconvenience and expense. What is to be done with a person who assaults the official sent to serve a warrant of the Senate?

Senator Sir JOSIAH SYMON.—Supposing a person obstructs by lying down, and saying that the officer must carry him?

Senator GUTHRIE.—Such a person is resisting the execution of the warrant. I heard Senator Symon, in a case where a man had said to the police, "What a shame to arrest that man," describe that as resistance deserving of the highest penalty under the law.

Senator Sir JOSIAH SYMON.—Where did the honorable senator hear me say that?

Senator GUTHRIE.—At Port Adelaide. I had to pay the man's fine, so that I have reason to remember the case.

Senator Sir JOSIAH SYMON.—I do not remember the case.

Senator MILLEN.—According to Senator Guthrie's doctrine, such a man ought to go to gaol without the option of a fine.

Senator GUTHRIE.—In my opinion, a man who assaults an officer of the Senate assaults the Senate, because he is defying an order of the Senate.

Senator Sir JOSIAH SYMON.—Cannot the honorable senator imagine a case of obstruction which might be met by a fine of five shillings?

Senator GUTHRIE.—I do not think a monetary fine would meet a case of the kind.

Senator Sir JOSIAH SYMON.—Then the honorable senator would always punish by imprisonment?

Senator GUTHRIE.—Yes, in cases of that kind.

Senator GRAY.—The honorable senator would always punish by giving two years' imprisonment?

Senator GUTHRIE.—I have not said anything of the kind. What I say is that some men have plenty of money, and to them a fine is no punishment.

Senator FRASER.—Leave it to the Court to say whether the fine shall be 5s. or £100.

Senator GUTHRIE.—I am content to leave it to the Court to say whether the imprisonment shall be for an hour or for a year.

Senator FRASER.—Then the honorable senator does not trust the Court?

Senator GUTHRIE.—I do, but not so far as money is concerned.

Senator GRAY.—To some men, an hour's imprisonment would be as cruel a punishment as a year's imprisonment to others.

Senator TRENWITH.—The imprisonment may easily be avoided by obeying the summons.

Senator GUTHRIE.—Probably a fine of £5 would not be half so cruel to one man as a fine of 5s. to another, who could not afford to pay, and must go to gaol. I trust that the clause will be passed exactly as recommended by the Standing Orders Committee. I do not think that Senator Neild ought to give way in the absence of stronger reasons than have been submitted.

Senator Sir JOSIAH SYMON.—This is Senator Neild's Bill.

Senator GUTHRIE.—It is not; Senator Neild's Bill has been disposed of.

Senator Sir JOSIAH SYMON.—But Senator Neild may reject or submit what clauses he pleases.

Senator GUTHRIE.—Senator Neild, at the beginning, asked us to adopt the report of the Standing Orders Committee.

Senator Sir JOSIAH SYMON.—With improvements.

Senator GUTHRIE.—Yes, with improvements. But Senator Neild has given no reason for the improvement which he now suggests, but merely states that on representations from honorable senators opposite he intends to modify the clauses.

Senator TURLEY.—Senator Neild only gives way to those opposite because they are obstructing the Bill.

Senator GUTHRIE.—I would not say that; but Senator Neild is apparently prepared to back down for the purpose of getting the Bill through a little more easily. I hope the recommended clauses will be adhered to.

Senator DOBSON (Tasmania).—As a member of the Standing Orders Committee I have listened with great attention to the discussion, and it appears to me that the more the Committee depart from the recommendations made the worse legislation we shall get. I ask Senator Symon, who has had a vast experience in Courts, whereas I have had very little, whether what are here called indictable offences are not to be found described as such in almost every Act? I take it that if a man escapes from custody and defies the Senate he is guilty of a grave offence in setting at defiance the law, and rendering it impossible for us to carry on our business. If a man wilfully and deliberately obstructs an officer who endeavours to serve a warrant of the Senate, he may have to go to gaol, and possibly he ought to go, and not simply be let off with a fine. It appears to me that we should act very wrongly if we reduced the penalties proposed for such a case. In every instance I should like to see the greatest discretion vested in the magistrate or judge, with fine or imprisonment provided for offences. Magistrates, even of the most humble experience, always have regard to the nature of the offence.

Senator FRASER.—A magistrate would not be fit for his position if he did not.

Senator DOBSON.—That is so. Some honorable senators seem to forget that, with a maximum imprisonment of twelve months, it is quite likely that an offender will be let off with a week's imprisonment for a small offence. But considering what we see around us in our daily life, we may make those penalties a great deal too low, and there is not much danger of making them too high when we name a maximum.

Senator MILLEN.—Is not a maximum penalty an indication of the view which Parliament takes of the seriousness of a given offence?

Senator DOBSON.—Even so, there is such an enormous difference of degree in offences that legislation does not "make the punishment fit the crime," unless there be some penalty between imprisonment for a week and imprisonment for two or three years. What was attempted in connexion with the Butter Commission, and what is now happening in New South Wales, show us that there ought to be a very stiff punishment for men who refuse to give evidence—who, by omission or neglect, may absolutely take part in conspiracy to defraud. At the present day crime is finding a different rut or trend, and I believe that in the future, more than in the past, we shall have to punish men of education and culture who have found out modern ways of putting other people's money into their pockets in a gentlemanly kind of way. For these reasons I think that the Committee will do wrong if they make the penalties too small.

Senator Lt.-Col. NEILD (New South Wales).—The clause under discussion deals with minor offences, but the next clause, to which reference has been freely made, deals with the more serious matter of refusing or neglecting to appear. For the latter offence the Standing Orders Committee recommend a fine of £50, but no punishment by imprisonment.

Senator TRENWITH.—Under what circumstances could a warrant issue except for some important offence?

Senator Lt.-Col. NEILD.—The warrant is to require attendance, and the clause under discussion deals with persons who obstruct the execution of the warrant.

Senator PEARCE.—The warrant is for apprehension.

Senator Lt.-Col. NEILD.—Precisely. The clause does not necessarily deal with an offence committed by the witness, because it may be committed by anybody in the community.

Senator FRASER.—It may be committed by a witness's wife and children.

Senator Lt.-Col. NEILD.—I think what we should do is to follow the example of the Standing Orders Committee in regard to the clause under discussion, and also provide the punishment of imprisonment, in addition to a fine, under the following clause. I propose that under the next

clause there shall be precisely the same penalty of £50, or imprisonment for a year, or, if honorable senators like, £100 or two years. I do not wish to reduce the penalties, but we might reasonably make an effort to apportion them with some greater degree of justice than is apparent in the proposal before us. I ask the Committee to omit the word "indictable," and to make the penalty £50 or one year's imprisonment. I move—

That the proposed new clause be amended by leaving out the word "indictable," line 4.

Senator TRENWITH (Victoria).—I think honorable senators are taking a wrong view of the proposal. The offences which are contemplated are extremely serious; they cannot, under any possibility, be considered trivial. First of all, a warrant will not issue unless there has been a refusal to attend; and whatever happens under this clause cannot happen unexpectedly, or come as a surprise. Therefore, whatever action is taken in resisting or preventing the execution of an order of the Senate will have to be taken deliberately; and that is a very serious consideration.

Senator MILLEN.—That presupposes that everybody knows a warrant is out for a particular person.

Senator TRENWITH.—Everybody would know when a person was being compelled to attend the highest court in the land—

Senator MILLEN.—Everybody would not know.

Senator TRENWITH.—Then everybody ought to be made to know by sad and bitter experience. It is a very serious matter to resist the decree of a Court. There was, for instance, the unfortunate murder case recently in Victoria. Suppose some person had come up and prevented the police from arresting the accused man, could it have been said that that person ought not to go to gaol, when he must have known that the man was being taken into custody for the most serious offence possible against the law? Must such conduct be excused because the person concerned has some strong feeling of friendship towards the accused? If resistance is excusable on that ground, then resistance under the clause would be excusable, because, at any rate, the people against whom an order of the Senate, in the form of a warrant, is issued, must be persons who have notice. It is reasonable to assume that those who feel so strongly about such persons that they resist

the law, will be their intimate friends, and consequently it must be assumed that they also know of the warrant. Senator Fraser has suggested that a wife and children may be punished under this clause.

Senator FRASER.—It might very likely be a daughter.

Senator TRENWITH.—At any rate, it is very likely to be some member of the family. The brother of a person who refused to comply with an order of a Select Committee of the Senate, and against whom a warrant for his forcible production has been issued, might intervene and successfully prevent him being arrested. Conditions are easily conceivable under which a very serious loss might be entailed on a number of persons. The Committee might have to go to the furthest part of the Commonwealth in order to take evidence. They might in consequence have incurred considerable expense, and might have entailed considerable expense on a number of persons required to give evidence before them. Yet some person whose arrest under a warrant was successfully prevented, might, because of his absence, render useless the whole of the sittings of the Committee. Offences of that sort would be so serious that a fine of £50, or £500, or any number of pounds, would not meet the case in certain circumstances.

Senator MILLEN.—Does the honorable senator think that it would be more serious to resist a warrant issued by a Select Committee than it is to resist a warrant issued by a Supreme Court?

Senator TRENWITH.—I think it would be as serious, and as it is usual to speak of Parliament as being the highest court in the land, it might not be unreasonable to say that it would be more serious. Certainly, issues more far-reaching might be involved than are involved in actions in a Supreme Court. We have recently had under notice two or three instances of Select Committees or Royal Commissions dealing with enormous interests, in connexion with which frauds, which were not accidental and not entered into in a momentary lapse, but deliberately, carefully, and scientifically carried out, have been conducted for years, not by one, two, or a few, but by an enormous number of persons in our community. Some of those persons have done everything in their power, first of all, to resist giving evidence, and subsequently to resist the production of necessary documents and material proofs.

Senator MCGREGOR.—And they kept persons out of the road also.

Senator TRENWITH.—In New South Wales at the present time we know that there is a desire, in the interests of the community, to secure possession of the person of a witness in connexion with an important inquiry, and there is very great difficulty experienced in obtaining possession of that witness. We know also that it is considered extremely desirable to secure material evidence in the shape of documents and so forth, and there is the greatest possible difficulty in obtaining it. If the mere payment of a monetary penalty would enable people to successfully resist the production of these persons and documents, we know that in some cases £1,000 would not stop them.

Senator FRASER.—But the Judge could impose imprisonment.

Senator TRENWITH.—Also the Judge might refrain from imposing imprisonment.

Senator FRASER.—Then he would not understand his duty.

Senator TRENWITH.—Perhaps he would not, and there have been persons placed in very high positions who have not understood their duty.

Senator FRASER.—We cannot guard against every case.

Senator TRENWITH.—We can in this instance say that persons who commit offences of this sort—extremely serious offences—must understand that they shall not have the option of paying a fine, but shall be certain to suffer imprisonment. I know of one instance where a man, convicted of an assault, and fined £5, asked the Bench before leaving the Court if he might have another £5 worth.

Senator Sir JOSIAH SYMON.—What did the Bench say?

Senator TRENWITH.—That is another question. I mention the instance in order to show that a money penalty in some circumstances is no penalty at all.

Senator MILLEN.—Would not a magistrate be able to discern that?

Senator TRENWITH.—I think he would.

Senator Sir JOSIAH SYMON.—Senator Neild proposes an alternative.

Senator TRENWITH.—I want to say in connexion with this matter that, in my opinion, the offence may be so serious that a money fine would not meet it.

Senator DE LARGIE.—Does the honorable senator not see that he is proposing to interfere with private enterprise?

Senator TRENWITH.—I always discuss questions simply in the light of the circumstances in which they are presented. I have no desire to be satirical, to say anything offensive to those who are opposed to me, or to insinuate that they are wealthy or represent wealthy people. I am dealing with this question as it presents itself to us now, and, in my opinion, this offence might be so serious that its committal should be followed by a serious penalty, and I do not think a fine would be a sufficiently serious penalty for the purpose. If there should be some talk about making men criminals, I would say that where persons are imprisoned "until the rising of the Court" no one ever considers the imposition of such punishment as involving a serious disgrace. I fail to see how an offence against this clause could be trivial, but if it should happen that it was, the Bench would be able, at its discretion, to order such a form of imprisonment as would carry with it no stigma whatever.

Progress reported.

#### PERSONAL EXPLANATION.

Senator TURLEY (Queensland).—I ask leave to make a personal explanation. On looking over the *Hansard* proofs I received this morning, I found that an interjection had been made during my speech which I did not hear at the time, and which misrepresented altogether the attitude I have taken up in connexion with the Kalgoorlie to Port Augusta Railway Survey Bill. The interjection was made by Senator de Largie, who said—

The honorable senator shirked the question when he was in Western Australia.

I shall not describe in my own words the position which I took up in Western Australia, but I have here a copy of the *West Australian* of 15th April, 1905, in which there is a report of what I said on the only opportunity which I had during the time I was in Western Australia, to speak at any meetings which I attended. Referring to myself, the report states—

Speaking as to the Trans-Australian railway, he said that they desired on the present visit to gain all the information they could. It seemed to him that Western Australia was the richest State of the lot with its gold, agriculture, &c. Therefore, it seemed to him that the States interested should obtain all information with regard to the Trans-Australian line rather than call upon the Commonwealth Parliament to bear the expense of survey, &c.

I submit that that is exactly the position I took up here in connexion with this matter, and that is what I said on the only opportunity I had of telling the people of Western Australia what my views on the question were.

Senator DE LARGIE.—An awful indictment!

## LIFE ASSURANCE COMPANIES BILL.

Report adopted.

## SUPPLY BILL (No. 2).

COMMONWEALTH GOVERNMENT HOUSES:  
DEPARTMENT OF DEFENCE: MAIL CONTRACT EXPENDITURE: HIGH COURT EXPENDITURE: CONTINGENCY VOTES: FIRE INSURANCE: ROYAL NAVAL RESERVE: TELEPHONE SERVICE: POST OFFICE EMPLOYEES.

Bill read a first time.

Motion (by Senator PLAYFORD) agreed to—

That the Standing Orders be suspended to enable the Supply Bill to pass through all its stages without delay.

Senator PLAYFORD (South Australia—Minister of Defence).—I move—

That the Bill be now read a second time.

The Bill contains the usual provisions to enable the Treasurer to pay for this month's services, at the rate which was authorized in the Appropriation Act of last year. It is in the usual form, and it is necessary that it should be passed so that the public servants may receive their salaries.

Senator Lt.-Col. NEILD.—Does it contain any additional items?

Senator PLAYFORD.—It contains no additional items, except one to recoup the Treasurer's advance account.

Senator Lt.Col. NEILD. — That is all right.

Senator STEWART.—Have any reductions taken place according to the classification scheme of the Public Service Commissioner, or are the salaries continued at the old rates?

Senator PLAYFORD. — So far as I know, no increases or reductions have been made. The Bill is based on the Appropriation Act of last year.

Senator MATHESON (Western Australia).—I wish to discuss several matters which are dealt with in this Bill. In the

first place, I propose to call the attention of the Minister of Defence to the extremely unsatisfactory reply I received the other day to my question about the maintenance of Government Houses outside Melbourne.

The PRESIDENT.—I do not know that the honorable senator can discuss that question unless there is an item for that purpose in the Bill.

Senator MATHESON.—The Bill contains an item of £420 for the maintenance of Sydney Government House. Two or three days ago I asked an extremely reasonable question on this subject, and elicited that the agreement in connexion with Government House, Sydney, will expire at the end of the current year. I asked the Government whether they would give Parliament an opportunity of discussing the general question of housing the Governor-General outside the existing Seat of Government prior to committing us to any expenditure in that direction, and more especially prior to entering into an agreement with the Government of New South Wales for the use of their Government House. The Government answered that the Government of New South Wales were willing to continue the existing agreement, and that the subject could be discussed on the Estimates. That, I submit, is absolutely playing with the Senate. It has no power to amend the Estimates, but merely power to suggest an amendment, so that any debate on the policy of maintaining Government Houses outside Melbourne would be absolutely futile. This question was thoroughly threshed out on a previous occasion, but we discovered that it was impossible to correct what many of us believed was a very grave injustice to the Commonwealth at large, because it had been committed by the then existing Government to the maintenance of Government House, Sydney. Now the position is entirely different. The existing contract has five months to run, and there is ample time, if only the opportunity is afforded by the Government, for Parliament to express a definite opinion on this very important subject.

Senator MILLEN.—Why cannot the honorable senator express his opinion on the Estimates, and give effect to it if he likes?

Senator MATHESON.—It is of no use for the honorable senator to raise a side issue, because we are always told that it is undignified to create friction between the Houses on a small item. I endeavoured to do that a dozen times. On one occasion,

at my instance, a proposed vote was reduced by £1, and later on the leader of the Senate got the matter recommitted, and my honorable friends who supported me said, "Well, after all, you have had a moral victory. You have carried your point, so why send down a message to the other House?" The victory was absolutely worth nothing.

Senator GIVENS.—Is it not unconstitutional to maintain a Government House in more than one State, and not in all the States?

Senator MATHESON.—It is not unconstitutional, but it is unnecessary, and a gross injustice to the other States. His Excellency should reside in Melbourne, so long as the Parliament sits here. Any contention to the contrary is apparently based on a series of telegrams which were exchanged between Lord Beauchamp when Governor of New South Wales and Mr. Chamberlain. I propose to give a *résumé* of what took place, because this question is very little understood, and it is generally supposed that Government House in Sydney has been placed at the disposal of the Commonwealth, in compliance with some understanding between the Premiers of the States. That is the contention of the representatives of New South Wales, who, I believe, also say it is a simple act of justice towards that State that this expenditure should be incurred by the Commonwealth. Writing on the 10th August, 1899, and referring to the period prior to the selection of a Capital Site in New South Wales, Mr. Chamberlain wrote in these terms to Lord Beauchamp—

I presume that during this period the Governor-General of Australia will mainly reside at Melbourne, and unless it is intended that he should hold *pro tempore* a Commission as Governor of Victoria, I should be glad to learn the views of your Ministers, as to the provision which should be made for his residence.

That is to say, his residence in Melbourne. A similar despatch was sent to the Governments of Victoria, South Australia, and Tasmania. Apparently, no despatch was sent to the Government of Western Australia, because at that time it was uncertain whether it would be an original State. On the 29th March, 1900, in reply to that circular letter, Lord Beauchamp sent this cablegram to Mr. Chamberlain—

New South Wales offers Government House as permanent residence for Governor-General, and will arrange for State Governor elsewhere.

At the instigation of Sir William Lyne, the Premier, he gave these reasons—

1. New South Wales is mother colony of Australia.
2. Captain Cook landed first in Sydney, therefore the Governor-General should do the same.
3. The idea of Federation originated in New South Wales.
4. New South Wales has the largest population, and is the wealthiest.
5. Sydney is the head-quarters of the Naval Commander-in-Chief.
6. Government House is in a good situation and is very comfortable.

The last recommendation is probably the best one that Sir William Lyne could have put before Mr. Chamberlain; but the latter was apparently of the opinion that the Governor-General should reside in Melbourne; and, being placed in a quandary, he sent no reply. He had asked what residence Victoria could place at the Governor-General's disposal, and he was answered that New South Wales was ready to find him a house because it was comfortable. On the 30th June, 1900, Lord Beauchamp sent to Mr. Chamberlain a second cablegram in these terms—

Lyne hopes you have no objection to the publication of Barton's cable asking for information on your behalf from the Premiers of Australian Colonies as to the residence of Governor-General.

Sir Edmund Barton's cablegram is not amongst the correspondence, and therefore it is impossible to say what it was, but the cablegram from Lord Beauchamp is so very enigmatical that it is difficult to understand what it refers to, except that Sir William Lyne wished to publish some cablegram. On the 5th July, Lord Beauchamp cabled again to Mr. Chamberlain—

Ministers anxious for reply.

On the 6th July, Mr. Chamberlain replied—

Does your cable of 30th apply to whole of Barton's message or only part specified.

On the 7th July, 1900, Lord Beauchamp cabled to Mr. Chamberlain to say—

My Prime Minister is anxious to have your permission to state that you desired Barton to inquire where Governor-General should reside, and that in answer to your request, Prime Ministers of federating Colonies consulted and agreed to New South Wales.

It is a very curious thing that, when challenged, each of the then Premiers of the Federated States, denied that they had made any such suggestion. Sir William Lyne was, however, anxious to force Mr. Chamberlain into saying that the Premiers



had all agreed to this matter. Mr. Chamberlain sent no reply to the last-quoted message; and on the 16th July, Lord Beauchamp again telegraphed to Mr. Chamberlain—

Prime Minister subject to pressure to publish telegrams between Premiers re residence of Governor-General. Have thrice asked for leave. Matter urgent.

Mr. Chamberlain replied to Lord Beauchamp on the 16th July—

Your cable, 7th July. Opinion of delegates was asked as to temporary residence of Governor-General pending establishment of Federal capital. Governor-General will be sworn in, and Commonwealth inaugurated, at Sydney, but it will be impossible for him to maintain two establishments and three when Government House built at new capital, unless States or Commonwealth provide for upkeep of Government House, Sydney and Melbourne, for travelling expenses of himself and household, and for entertainment allowance.

There is a clear expression of opinion from Mr. Chamberlain, that the proper residence of the Governor-General was in Melbourne, and that if the Governor-General was to be required to live anywhere outside of Melbourne prior to the establishment of the Federal Capital, it was essential that the States in which he was expected to live should make a proper provision for his establishment.

Senator DOBSON.—Either those States or the Commonwealth.

Senator MATHESON.—It was an extra.

Senator GIVENS.—What had Mr. Chamberlain to do with the matter at all?

Senator MATHESON.—Mr. Chamberlain was arranging for the Governor-General to come out to Australia, and he had to get these things straightened up before he could induce any one to accept the office. That is quite clear. Lord Beauchamp, at the instigation of Sir William Lyne, telegraphed to Mr. Chamberlain—

Prime Minister wants Government House vacated and ready for Governor-General after first session of Federal Parliament, in accordance with my telegrams of 23rd September and March. If Hopetoun desires to find Government House free, shall be ready to vacate.

In fact, Sir William Lyne was so anxious to secure the establishment of the Governor-General at Sydney, that he actually hustled Lord Beauchamp out of New South Wales. Mr. Chamberlain, on the 24th July, replied to Lord Beauchamp—

Hopetoun agrees to arrangements suggested by Premier.

Senator DOBSON.—This is very ancient history; I do not know what is coming of it.

Senator MATHESON.—It may be ancient history to Senator Dobson and myself, but the fact is that when allusion was made to the matter in the House of Representatives the other day, apparently the history of it had been completely forgotten. It is most desirable that it should be thoroughly ventilated before the Commonwealth is committed to another agreement. That is my point. The Minister of Defence who is responsible for arranging the business of the Senate, does not propose to allow us to have another opportunity to go into the question.

Senator PLAYFORD.—I showed the honorable senator how he had an opportunity.

Senator MATHESON.—I have taken the present opportunity, but it is unsatisfactory, because I cannot get a direct vote.

Senator PLAYFORD.—The honorable senator could put a notice on the paper, move a resolution, and have it discussed. Then he could take a direct vote.

Senator MATHESON.—I cannot get a direct vote in this way, as a matter of fact, because on a Supply Bill we are always told that the money is wanted, and that if an amendment is made the finances are put in a state of suspense. I should have thought that the Government would be glad to put a day at our disposal for the discussion of this question, especially considering the lack of business before the Senate, and that we have adjourned week after week, having nothing to do. What are we here for? To work, not to go home to our States. To proceed with the story, the next message was a telegram from Lord Beauchamp to Mr. Chamberlain—

Premier learns Governor-General would prefer to find Government House empty and ready for occupation. Please ascertain wishes of Governor-General.

On the 7th August, Lord Beauchamp again telegraphed to Mr. Chamberlain—

Premier now urgently desires that the Governor-General should take up his residence in Government House in Sydney upon his arrival. I propose to accede to his wish, and shall therefore leave in November.

Senator HIGGS.—What is the document from which the honorable senator is quoting?

Senator MATHESON.—I am making extracts from the correspondence, which seems to have been lost sight of. On the

22nd August, Mr. Chamberlain telegraphed to Lord Beauchamp—

You can do as you like about leaving. I presume that the arrangement is made for allowing the Governor-General and his establishment free travelling on the Government railways, and that he will not be expected to entertain largely at Sydney until some provision has been made for entertaining allowance.

On the 24th August, Lord Beauchamp replied to Mr. Chamberlain, at the instigation of Sir William Lyne—

Free railway travelling for Governor-General and establishment promised.

That is the point to which I have been working up. The last message is a cable from Lord Beauchamp, at the instigation of Sir William Lyne, then Premier of New South Wales, in which he directly recognised the responsibility of that State if New South Wales desired to have the Governor-General residing at Government House, Sydney. Recognising that responsibility he promised free railway travelling for the Governor-General and his establishment. But what do we find? After having offered to place Government House, Sydney, at the disposal of the Governor-General, the Commonwealth has to pay £3,000 a year for its maintenance. I contend that the establishment in Sydney should be maintained by the State. I entirely dissent from the proposal to extend the agreement between the Government of New South Wales and the Federal Government, and think that it should be allowed to lapse at the end of the present year.

Senator HIGGS. — Is there any use in bringing forward the matter at this stage?

Senator MATHESON.—My object is to try to induce the leader of the Senate to place a day at our disposal for the adequate discussion of the question, or to induce the Government to refrain from renewing an agreement which is repugnant to many of us until the Senate has had an opportunity to give a direct vote unhampered by any considerations connected with a finance Bill.

Senator HIGGS. — If the honorable senator puts a motion on the paper he will get support for it.

Senator MATHESON.—But all the days are filled.

Senator CLEMONS. — Why did not the honorable senator bring it forward on the first reading of this Bill? He has missed his opportunity.

Senator MATHESON. — I have not missed my opportunity. The best proof of that is that the President cannot call me to order. I am "on the spot." I have now put the position clearly before the Senate. I hope that the Minister will give some consideration to it, and endeavour to meet the views of many of us. I have not trespassed upon the time of the Senate unduly in relating the history of the matter, having merely read the correspondence. If necessary, however, I shall later on move the reduction of a vote, and shall endeavour to induce the Minister to give us a more suitable time to discuss the question. In connexion with the defence vote, I draw attention to the item, "Department of Defence, division 42, Central administration." I propose to say a few words about the valuation of defence properties.

The PRESIDENT.—Is there any item in this Bill with which the honorable senator can connect his remarks?

Senator MATHESON.—Yes; in connexion with the vote for the staff, £1,200. I think that, considering the way the duties of the Department have been neglected, that vote ought to be reduced, and I shall probably move to reduce it. In 1901, a committee of officers was appointed to discuss the defence arrangements of the Commonwealth. That committee reported, urging that a valuation should be made of the defence properties transferred by the various States to the Commonwealth.

The PRESIDENT. — I do not think that the honorable senator is in order in discussing those valuations. There is nothing in the schedule to the Bill referring to them.

Senator MATHESON.—It is true that there is nothing in the schedule on the subject; but I propose to move for the reduction of the vote for the staff, and wish to justify my action. I must give my reasons.

Senator Lt.-Col. NEILD.—The staff and the committee referred to are not the same set of people.

Senator MATHESON. — I quite agree with the honorable senator that the staff and the committee are not the same body; but the committee made recommendations, and it was the duty of those responsible to see that those recommendations were carried out. I urge that it is a gross dereliction of duty that those valuations have not been made. The result is that from 1901 to

1905 we have simply drifted along. The bulk of the defence stores handed over to the Commonwealth were obsolete. No valuation was made on behalf of the Commonwealth, but, nevertheless, quantities of stores were sold without reserve. Practically the Commonwealth received no return.

Senator MILLEN.—Were the stores sold privately, or how?

Senator MATHESON.—They were sold by auction under *Gazette* notice and that is how I came to know of the matter

Senator GIVENS.—When was the sale?

Senator MATHESON.—I think the sale was in August of last year, and at various other times. The Minister of Defence has answered a question on the point.

Senator PLAYFORD.—The sale was in January last, I think.

Senator MATHESON.—We shall have to pay for those stores whatever the States Governments like to ask; and that cannot be denied by the Minister, seeing that no valuation has been made. It is provided in the Constitution that we shall pay for everything that is transferred; and yet the Government have actually sold goods without knowing what they were worth.

Senator PLAYFORD.—The auction test shows what they were worth.

Senator MATHESON.—The auction showed what they were worth at a forced sale, but not what they were worth intrinsically. Not only did the Committee recommend that a valuation should be made, but I have called attention to the matter year after year, and asked each successive Government when that step would be taken.

The PRESIDENT.—Has this anything to do with the Bill?

Senator MATHESON.—I am justifying my action in seeking to reduce the vote.

Senator Lt.-Col. NEILD.—Is the honorable senator in order in seeking to reduce the pay of an existing staff, who are not the same officers, and who cannot be responsible for the alleged neglect of duty by the staff that existed some two, three, or four years ago?

Senator GIVENS.—An honorable senator can move a reduction of any item he likes.

Senator Lt.-Col. NEILD.—The point I submit is whether, on this item, it is open to an honorable senator to discuss the alleged *laches* of officers who are not the same officers whose salaries are under consideration?

The PRESIDENT.—It is very difficult for me to say that remarks in reference to any item in the schedule to this Bill are not relative to the subject under discussion. But I ask Senator Matheson to try to observe the spirit of the Standing Orders, and not find excuses for not conforming to them. We are now discussing the Supply Bill; and the whole policy of the Government, in reference to the Defence Forces, ought not, it seems to me, to be brought under consideration. The honorable senator is quite in order in referring to an item for the payment of the Defence staff, but I think he ought to confine himself, as far as he can, to the consideration whether the item ought to be reduced or diminished.

Senator MATHESON.—I am attempting to confine myself to the fact that this valuation has not been made.

The PRESIDENT.—Has that anything to do with the staff?

Senator MATHESON.—Undoubtedly, because, under the Defence Act, the Council of Defence, which is composed of members of the staff, is responsible for these executive matters. You shake your head, sir, but if you refer to the Act which was passed last year you will see that the head officers of the staff—those whose payment is provided for under the vote—form the Council of Defence. The General Officer Commanding has been dispensed with, and each head officer has specific duties to perform. Therefore, they, and not the General Officer Commanding, are responsible for the fact that this valuation has not been made unless, of course, the Minister intends to take the responsibility on himself, which I hardly consider likely from the way in which the honorable gentleman now smiles.

Senator PLAYFORD.—I do not think the officers can be responsible.

Senator MATHESON.—That is the very point I want to raise. Who is responsible? That is what I want to know, and that is why I wish a reduction of the vote. The Minister of Defence says that he is not responsible.

Senator PLAYFORD.—I think the honorable senator will find that the States are responsible. The honorable senator has, no doubt, read what took place a few months ago at the Hobart Conference, and the resolutions which were there passed relating to transferred properties. The honorable senator knows that steps have been taken,

and that everything is being done that can be done.

Senator MATHESON.—That is the very thing I do not know. At the commencement of the sitting to-day, I asked the Minister, without notice, in the most civil way, whether he could give any idea when the valuation would be placed before the Senate, and he, in an equally civil way, said in effect, "Heaven only knows when the valuation will be forthcoming." That is what brings me to my feet, because I think the Senate is entitled to know who is responsible for this extraordinary delay.

Senator PLAYFORD.—A good many people, I think.

Senator MATHESON.—This is not a question of two valuers meeting and arriving at a joint conclusion; it is for the Commonwealth to make a valuation and submit it to the States. I do not ask that the agreed valuation shall be placed before the Senate; what I want to see is the valuation which is placed on the stores by the officials of the Commonwealth. There are thousands of pounds worth of useless guns and stores at the present moment in the arsenals of the Commonwealth, and we are to be asked at some not far distant date, to pay for those stores as if they were effective. We have had experience of several Commonwealth Governments, and we know that matters are brought before Parliament in regard to which the Government are already committed, and it has been on several occasions futile to debate questions already prejudged by the Ministry. I am anxious to use every possible means in my power to prevent this happening in connexion with the stores. I know that in Western Australia there are stored cannon which are absolutely useless.

The PRESIDENT.—Has that anything to do with the duty of the officers, who, the honorable senator says, have been guilty of neglect?

Senator MATHESON.—Yes; I wish to urge that the valuation should be proceeded with.

The PRESIDENT. — The honorable senator is evading the standing order.

Senator MATHESON.—If that is your ruling, sir, I shall stop.

The PRESIDENT.—I asked the honorable senator to confine himself to the schedule to this Bill. Has the assertion that some of the stores are valueless anything to do with the schedule?

Senator MATHESON.—Yes; because I say the valuation ought to be made. However, sir, in view of your ruling, I shall not labour the question further, and, probably I have said enough. There is another matter to which I wish to call attention in connexion with the Post and Telegraph Department, under the Western Australian item "Subdivision No. 2, Conveyance of Mails, £4,100." That item contains a proportion of a vote which I say is absolutely unjustifiable. It is in connexion with the Vancouver mail subsidy, which up to this year, 1905-6, has been defrayed by Queensland and New South Wales solely. Last year, under this head, New South Wales paid £12,587, and Queensland £10,227. This year, without the least justification—without coming to Parliament for a direct vote—the Government have, under the head of transferred services, of which this item forms a part, split up this subsidy *per capita* amongst the various States. I asked the Minister to-day what justification the Government had for treating this as a transferred service, and I was told that authority was derived from section 89 of the Constitution. On referring to that section, I find—

(II.) The Commonwealth shall debit to each State—

(a) The expenditure therein of the Commonwealth incurred solely for the maintenance or continuance, as at the time of transfer, of any Department transferred from the State to the Commonwealth.

I should like to call attention to the fact that Western Australia never paid one penny prior to the current year towards this subsidy.

Senator DRAKE.—The authority is derived from paragraph *b* of the section just quoted by the honorable senator. It was treated as transferred service before, and now it is treated as "other expenditure" under paragraph *b*.

Senator MATHESON.—If it was treated as "other expenditure," it might be quite right, and there might be less to say about it. But I have gone very carefully into the matter, and if Senator Drake refers to the Estimates, he will find the item there treated as transferred expenditure, without the least shadow of a justification. Western Australia has never paid a penny to this subsidy; and how, then, can it be contended that any portion of this vote shall be debited to that State as expenditure incurred

"for the maintenance or continuance, as at the time of the transfer, of any Department transferred from the State to the Commonwealth"? It is a gross infringement of the rights of Western Australia to attempt to make that State liable under this head for any such subsidy.

Senator CLEMONS.—I suppose the honorable senator is going to move a reduction of the vote.

Senator MATHESON.—Yes, I may, in consequence, move a reduction of the vote. What lends a particular colour to the injustice of the proceeding is that when it was necessary to increase the subsidy given by New South Wales for a service to the New Hebrides, the matter was honestly brought before the Senate in the shape of a resolution, and we were asked to express an opinion as to whether the increase should be regarded as a new expenditure on behalf of the Commonwealth. That was a perfectly straightforward and honest way of dealing with the situation. The Government dare not treat this subsidy in the same way, because they know that if a direct motion on the subject were submitted to the Senate none of the representatives of Tasmania, South Australia, or Western Australia would acquiesce in the allocation of any of this expenditure to those States. Without any consultation with Parliament the Government simply slip this proposal in under the heading of "transferred expenditure," where it would be most likely to escape notice. That is a most atrocious way of dealing with the business of the Commonwealth.

Senator CLEMONS.—They did not slip in the Tasmanian subsidy.

Senator MATHESON.—If Senator Clemons refers to the payment for the coastal carriage of mails between the mainland and Tasmania that does not come under the heading of subsidies properly so-called.

Senator CLEMONS.—It has to be paid for as a subsidy.

Senator MATHESON.—I hope the Minister of Defence will take a note of the grievances I have submitted, and will endeavour to remedy them.

Senator GIVENS.—Has not the honorable senator something to say about the telephone service between Melbourne and Sydney?

Senator MATHESON.—Unfortunately, I cannot attach it to this Bill, and I have no desire to exceed the limits of the Standing Orders in discussing these matters. So

far, I think, I have been thoroughly justified in everything I have said, and I am afraid I am debarred by the Standing Orders from making any reference to a picture of which the Commonwealth would appear to have bought a large number of copies, or to the telephone service referred to by Senator Givens.

Senator PLAYFORD (South Australia—Minister of Defence).—I have one or two words to say in fairness to Senator Matheson. The honorable senator has given me a vast amount of information about the Government Houses in Sydney and Melbourne. I have not before heard the contention that the upkeep of the Sydney Government House should be charged to that State, and not to the Commonwealth.

Senator MATHESON.—Sir William Lyne made that offer to Mr. Chamberlain.

Senator PLAYFORD.—The matter to which the honorable senator has referred will be looked into, but I do not think we should be mean in our relations with the Governor-General. As far as I know, all the States provide their Governors with more than one residence. At all events, in the little State of South Australia, we provide the Governor with a residence on the Plains and another in the Hills. I understand that in Victoria there is a Governor's residence near Melbourne, and another some distance away in a more elevated situation. It would appear to have been recognised in the States that more than one place of residence should be provided for a State Governor. In the circumstances of the Commonwealth, when we have two such States as New South Wales, which is designated by the name "Mother State," and the important State of Victoria, in which at the present time is the Seat of Government, surely it is not too much to ask, when we have not to pay rent for them, that we should keep the Government Houses in Melbourne and in Sydney in repair. If the Governor-General desires that two residences should be provided for him, I do not think we should begrudge the small expenditure necessary to keep them up.

Senator MATHESON.—There is no evidence that the Governor-General does desire that two residences should be provided for him.

Senator PLAYFORD.—I said "if" the Governor-General desires that two residences should be provided for him, we should not begrudge the expense necessary

to keep them up. I shall leave that subject, as I do not think any more need be said on it.

Senator MATHESON.—Will the Government give honorable senators an opportunity to debate the subject?

Senator PLAYFORD.—The honorable senator has said that I tried to muzzle him and to burke discussion of the matter. I did nothing of the sort. The honorable senator has every right and power to bring the matter before the Senate by a direct motion, that, in the opinion of the Senate, it is not desirable that we should make any provision for a residence of the Governor-General in Sydney.

Senator MATHESON.—Will the Minister give me an opportunity to debate it?

Senator PLAYFORD.—I could not prevent the honorable senator, and I have no desire to do so.

Senator MILLEN.—Surely the Minister will not make special provision for such a debate?

Senator PLAYFORD.—I will not make special provision for it, but the honorable senator has only to put the motion on the notice-paper so many weeks in advance, to have a full day to himself.

Senator MATHESON.—How many weeks in advance?

Senator PLAYFORD.—That can be ascertained. I do not know that I need discuss the question of the transferred properties, and their valuation, as it is not alluded to in the Supply Bill. The honorable senator is aware that the matter has been the subject of discussion between the States Governments and the Commonwealth Government since the inauguration of the Commonwealth.

Senator MATHESON.—Why cannot the Commonwealth Government make their valuations?

Senator PLAYFORD.—We have been trying to arrive at some basis, and the Hobart Conference did arrive at a basis, though Mr. Carruthers, on behalf of New South Wales, did not agree with the other Premiers that we should pay  $3\frac{1}{2}$  per cent. on the money value of the properties when the extent of our indebtedness in respect of them is decided.

Senator CLEMONS.—The trouble was the difference between cost price and market price.

Senator PLAYFORD.—According to the arrangement discussed at the Conference, two arbitrators were to be appointed, and if there were any dispute the matter was

to be referred to a Judge of the High Court. I know that the officers of the Defence Department have proper stock-sheets prepared, and are getting out their valuations as fast as they can. I hope the matter will be settled in a short time. Of course, there is great difficulty in estimating the value of military stores which have been transferred. Senator Matheson is aware that the obsolete arms to which he has referred were not obsolete when the States purchased them.

Senator MATHESON.—They were obsolete when they were transferred to the Commonwealth; that is my point.

Senator PLAYFORD.—We shall have to accept their valuation at the time they were transferred to the Commonwealth. Though they have every day since become more obsolete, the States may very properly contend that the Commonwealth should take over these guns, ammunition, and accoutrements at their valuation at the time of the inauguration of the Commonwealth, when they might have been fairly serviceable, and not at their value to-day.

Senator MATHESON.—That was five years ago.

Senator PLAYFORD.—With regard to the Vancouver mail service, I have no wish to express an opinion, but I do say that the Government have adopted the proper course. The States pay on the basis of population for the Orient service, do they not?

Senator MATHESON.—Hear, hear.

Senator PLAYFORD.—And Western Australia gets the benefit of that arrangement.

Senator MATHESON.—In what sense?

Senator PLAYFORD.—Western Australia is paying *pro rata* with the other States for that service, which is of more importance to her than it is to Queensland. If Queensland has to pay *per capita* a share of the cost of a service which is of special advantage to Western Australia, is it not right and just that Western Australia should pay on a *per capita* basis for a service which New South Wales and Queensland make special use of? Can Senator Matheson say that that is not right and just? The old contract in connexion with the Vancouver service had run out. Under the old arrangement New South Wales paid an annual subsidy of £13,636, and Queensland an annual subsidy of £10,227, a total of £23,863. The two States of New South Wales and Queensland paid the whole of that subsidy, and at the

same time they were paying a *per capita* share of the cost of the mail service in which South Australia and Western Australia were more particularly interested.

Senator MATHESON.—That arrangement was made before Federation, and when it was to the interest of New South Wales and Queensland to make it.

Senator PLAYFORD.—No doubt; but when the old contract expired we had to consider the question whether we should continue it on the old basis under which New South Wales and Queensland paid the whole of the money or established the service on a *per capita* basis. I say that the late Government and the present Government, in carrying out the intention of the late Government, have done what is right and proper in determining to continue that service on the system of a *per capita* contribution from each State.

Senator CLEMONS.—Why call it "transferred services," and not new services?

Senator PLAYFORD.—What's in a name?

Senator CLEMONS.—There is something in these names.

Senator PLAYFORD.—The Government have decided that this service, the Orient service, and all over-sea services, shall be paid for by the Commonwealth on the basis of population. The only question we have to consider is whether that is a fair arrangement with the States as a whole. I say that it is. It would be manifestly unfair that Queensland and New South Wales should have to pay over £23,000 a year for a service which they use possibly more than other States, but which the other States can and do use to some extent, and should at the same time have to pay on a *per capita* basis for another service which the other States use more frequently than they do, but which they occasionally use also. The proper way is to pay for these services by a Commonwealth payment on a population basis.

Senator MATHESON.—The proposal should have been submitted to Parliament, because there is no evidence that the service is necessary.

Senator PLAYFORD.—I do not know why it should be submitted to Parliament.

Senator MATHESON.—Then why submit the other service to Parliament?

Senator PLAYFORD.—The Government considered that when the old contract expired and a new arrangement had to be made, it was right and proper that the ser-

vice should be continued on a *per capita* basis of payment. Having come to that determination, they had a perfect right to enter into the arrangement as the Executive of Parliament, and if Parliament is not disposed to ratify their action, then it must step in and deal with the matter. I say that the Government did right in the circumstances.

Senator MATHESON.—The New Hebrides service was submitted to Parliament, and it was simply an extension of an old contract.

Senator PLAYFORD.—I have not a complete knowledge of these matters, which are not in my own Department. I am unable to say that this matter will not be submitted in the same way as the contract with the Orient Company for the ratification of Parliament. Under the new contract for the Vancouver service, Canada will pay £37,091, as against £34,091 under the old contract; Fiji will pay £2,282, as against £2,046 under the old contract; and the Commonwealth will pay £26,627, as against £23,863, paid by New South Wales and Queensland under the old contract. I do not believe that in this matter it can be charged against the Government that they had not acted rightly and justly.

Question resolved in the affirmative.

Bill read a second time.

*In Committee:*

Clause 1 agreed to.

Clauses 2 to 4 postponed.

Schedule.

Senator CLEMONS (Tasmania).—The item of £3,143 under the head of Parliament gives me an opportunity of directing the attention of the Minister of Defence to what recurs every time we deal with a Supply Bill, and that is the tremendous disproportion which the "contingencies" bear to the sums upon which they are contingent. I particularly direct his attention to the item for the Library, where he will see that £10 is required for salaries, and £435 for contingencies. Can the Minister give the Committee any indication as to what items are comprised under the head of contingencies? I submit that to base £435 upon £10 is to verge upon the ridiculous. If we are always to be asked to pass votes for contingencies without getting detailed information the thing will become an absolute farce.

Senator PLAYFORD (South Australia—Minister of Defence).—I do not know

anything about the matter. The honorable and learned senator will find all the information he requires in a copy of the Estimates of expenditure, which I beg to hand to him. The item for contingencies comprises a very long list which I do not suppose he will ask me to read.

Senator KEATING.—Everything but salaries is included in contingencies.

Senator Sir JOSIAH SYMON (South Australia).—No doubt it is very difficult for a Minister who is not in command of a Department to furnish at a moment's notice the particulars wanted on a Supply Bill. I wish to recall to the recollection of Senator Playford the fact that a few weeks ago I asked him whether he, on behalf of the Government, would give the Senate an opportunity of dealing with the Estimates for the year at an early date after they were laid before the House of Representatives, and he promised that he would.

Senator PLAYFORD.—I cannot until that House has passed them.

Senator Sir JOSIAH SYMON.—My honorable friend did not make that condition.

Senator PLAYFORD.—Oh, but the honorable and learned senator knew that.

Senator Sir JOSIAH SYMON.—No. Remonstrances have always been made as to the late period of the session at which the Estimates come before the Senate for consideration. No one has been more insistent and strenuous in making such representations than has Senator Stewart. And on that account I promised last year that the matter would be taken into consideration.

Senator O'KEEFE.—Is there no constitutional difficulty in the way?

Senator Sir JOSIAH SYMON.—No. The late Government considered the matter carefully, and I think I am in a position to say that its Treasurer had formulated a scheme for bringing the Estimates in some shape before the Senate after the Budget had been delivered—either in connexion with a Supply Bill, or in some other way—so that it could consider the items before the Appropriation Bill was sent up. Sir George Turner thought it was perfectly feasible, and it was that fact which led me to put the question to my honorable friend. I did not regard his answer as having a condition or understanding attached to it; he may have had it in his own mind, but he gave me an unqualified answer, which was the one I expected to receive, and I took it as meaning that

probably the present Government had considered the question from the same point of view, and discovered some method by which the idea could be carried out. I know of no constitutional difficulty in the way.

Senator O'KEEFE.—It occurred to me that while the other House has the power of cutting down the Estimates, the Senate has only the power of making requests.

Senator Sir JOSIAH SYMON.—On this very Bill we should have power to consider the Estimates. I do not see any constitutional difficulty in the way. Of course, when the Appropriation Bill comes up the financial business of the year is closed.

Senator GIVENS.—The other House likes to hold the power of the purse over the Government as long as possible.

Senator Sir JOSIAH SYMON.—The other House likes to retain the Appropriation Bill as long as it can, but I do not see why there should be any difficulty in getting the Estimates in detail brought under the consideration of the Senate before the Appropriation Bill is sent up. If there is any difficulty of procedure it ought to be got over. We ought to develop a new departure if necessary, because it is folly to talk about the Senate being on an equal footing with the other House with regard to expenditure if we have thrust before us—it has been inevitable in the past—the detailed Estimates during the last days of the session. Last year I felt everything which was said on the subject. I recognised that we were labouring under a disability in that respect. I hope that my honorable friend will consult his colleagues, and see if the idea cannot be carried out. It would be satisfactory to the Senate. It would facilitate business, and maintain that greater control over the finances which the Senate is supposed to have as compared with the upper Houses of the States.

Senator PLAYFORD (South Australia—Minister of Defence).—I shall certainly bring the matter under the attention of the Treasurer, as well as the Government as a whole, and see if the suggestion of the honorable and learned senator cannot be carried out in some way. To-day I laid a copy of the Estimates upon the table—I think it is the first time on which they have been tabled before the Appropriation Bill was sent up.



Senator Sir JOSIAH SYMON.—Oh, no; the Estimates have always been circulated, but not brought under our consideration.

Senator PLAYFORD.—I can see difficulties in the way, but I do not wish to argue them at the present time. I shall have the matter looked into, and, if possible, shall do what the honorable and learned senator suggests.

Senator CLEMONS (Tasmania).—The Minister of Defence has very kindly handed to me what I had—a copy of the Estimates—as an answer to my question. If I excuse him from answering the question I put with regard to contingencies, will he explain why the magnificent monthly salary for looking after the Library is £10? If it is run at that expense per month, I shall be very much astonished.

Senator PLAYFORD (South Australia—Minister of Defence).—It is a State as well as Commonwealth Library, and we have to pay our share.

Senator CLEMONS.—Is that the full explanation of the reason why we are asked to vote £10 for salaries and £435 for contingencies? Because if it is the Estimates will not bear it out.

Senator PLAYFORD.—So far as I know it is.

Senator CLEMONS.—Then the Minister knows nothing, and I shall let him off.

Senator PLAYFORD.—I said I did not know anything about the matter. Perhaps a member of the Library Committee could explain the item.

Senator Sir JOSIAH SYMON (South Australia).—In the vote for the Attorney-General's Department, under the head of "Secretary's office," we find an item of £180 for salaries, and an item of £45 for contingencies, and in order to hold the balance true when we come to the vote for the High Court we find an item of £130 for salaries and £670 for contingencies. Can the Minister of Defence tell us what the item for contingencies means?

Senator PLAYFORD.—I think that my honorable and learned friend could do that better than I can. He has had some experience in this matter.

Senator Sir JOSIAH SYMON.—Later on I shall take an opportunity to express my views, but at the present time I do not know what my honorable friend has been doing. He may have been reversing what I did.

Senator PLAYFORD.—I am afraid that this is part of the honorable and learned senator's expenditure.

Senator Sir JOSIAH SYMON.—My honorable friend has been undoing my economies.

Senator PLAYFORD.—Oh no.

Senator Sir JOSIAH SYMON.—That is all right. The Minister cannot give us any information.

Senator PLAYFORD.—It is given in the Estimates.

Senator STEWART (Queensland).—The Minister of Defence has said that he is not able to give any information regarding the expenditure of the High Court.

Senator PLAYFORD.—On a Supply Bill we are not expected to do so.

Senator STEWART.—I am very much astonished that the information is not given, because this matter has been very freely ventilated, both during the recess, and since the Parliament met. The expenses of the High Court were considered by the late Government to be excessive, and if some statements I read in the press be correct, undoubtedly the expenditure was on a most extravagant scale. In many quarters the late Attorney-General has been adversely criticised for suggesting to the Justices and their officers that they ought to adopt a simple style in connexion with their travelling. He has been found fault with for doing that when I think he ought to be praised. I cannot see how it is possible for even a Justice of the High Court to spend £4 a day in travelling expenses. If he were travelling at his own cost, it would be nothing. But travelling at the expense of the public, as I should imagine, in a simple style, the cost seems to be altogether out of proportion.

Senator CLEMONS.—On the Estimates for this year there is an item of £2,000 for travelling allowance.

Senator STEWART.—That is most extravagant. I cannot find out how the Justices travel. I may be accused of disrespect to the Bench for mentioning the matter here. But I look upon their Honours as merely officials of the Commonwealth. I do not see why they should segregate themselves when they travel. I do not see why they should live at a much more extravagant rate than other persons do. They mix in society; they go to races; they go to balls, and I understand that some of them go to prize fights. But

apparently when travelling on public business they travel more like princes of the blood royal than ordinary individuals.

Senator MATHESON.—How do they travel as a rule?

Senator STEWART.—They travel, I believe, in the most expensive way, but at other people's cost. They do not pay for it themselves, and of course the cost does not trouble them. I wish to enter my strong protest. I do not know whether it will be of any service to say so, but I appreciate very highly some remarks made by Senator Symon on this subject. We want more simplicity, both inside and outside the Court. I really think that it is most extravagant on the part of the Judges to spend money for travelling in the way they do. They ought to be called upon to give detailed statements of their expenditure. It may seem to be *infra dig.*, and trenching somewhat on the high dignity of the Bench, to ask for this sort of thing, but really to my mind it has become something approaching a scandal. The Senate would be failing in its duty if it did not insist on more economy on the part of the Judges when travelling. The Minister in charge of the Estimates ought to have more information to lay before honorable senators.

Senator PLAYFORD.—We never had full information given on a monthly Supply Bill. I shall have all information when the Estimates proper come before us.

Senator STEWART.—The excuse is a very ancient one.

Senator PLAYFORD.—No one has ever done it before.

Senator STEWART.—Because it has never been done in the past, is that a reason why it should not be done in the future? Our responsibility for the finances of the Commonwealth is very great, but hitherto we have had very little opportunity to exercise any control. The Estimates have never reached us until a very late period of the session, when every senator was anxious to get away from Melbourne. The consequence has been that the work has been scamped. The other House had passed the Estimates and wound up its work before the subject was handed over to the Senate, and if we had attempted to discuss it in detail and at length we should have incurred opprobrium from members of another place. Our control over expenditure ought to be something more than a mere sham and a farce as it is now. We ought to have an opportunity whenever a Supply Bill comes up to

discuss every matter in connexion with public expenditure. It is of no use to put it off until the end of the session, when the Estimates come up.

Senator MILLEN.—And when half the money is spent.

Senator STEWART.—Yes, and when the opportunity for criticism has gone by. Now is the appointed time.

Senator MATHESON (Western Australia).—I really think that the particular vote to which I have called attention does require further explanation. On turning to the Estimates, I find that the vote for the current month, £670, for contingencies, represents a quarter of the total vote for the year. The total vote is £2,665. In the second month of the year we are asked for about one-fourth of that amount. This is beyond all bearing.

Senator PLAYFORD.—A good deal of that is for the annual railway passes, for which we pay this month.

Senator MATHESON.—That can hardly be the explanation.

Senator Sir JOSIAH SYMON.—The railway passes for the three Judges cost only £180.

Senator MATHESON.—In the previous Supply Bill, which was framed by the late Government, we had set down only £110 for contingencies. That represented about one-twelfth of the total, and was a perfectly reasonable amount. Now, however, we are asked to vote £670, which, multiplied by twelve, would make over £8,000.

Senator KEATING.—There are arrears to the amount of £116, which are included in the vote.

Senator MATHESON.—In connexion with division 23 exactly the same point arises. I find that the amount set down for supervision of works for the whole year amounts to £3,000, but in this month of the year we are asked to vote one-half the amount, £1,500. I really think that the Treasury is running away from parliamentary control when, in the second Supply Bill of the year, it asks us to appropriate one-half of the whole amount for contingencies for the supervision of buildings.

Senator MILLEN (New South Wales).—It would be monotonous if we were to pick out items of the character to which reference has been made by Senator Clemons and Senator Matheson. I find that many items of what is presumably a monthly Supply Bill are vastly in excess of one-twelfth of the vote for the year. It would

be a pure waste of time if we were to pick out each of these items in view of the frank admission of the Minister, that he is not able to give us any information on the subject. I have listened to his statement that it is not usual to give full information on a monthly Supply Bill. But while perhaps it might be unreasonable to ask the Minister to be prepared with information to that full extent on every item, yet there is such a succession of items where the amount we are asked to vote is greatly in excess of one-twelfth of the total for the year, that we are entitled to ask for a reason. Without an explanation the whole position would seem to be reduced to an absolute farce.

Senator PLAYFORD.—The amount mentioned by Senator Matheson is payment for State supervision of Commonwealth buildings. It is not paid monthly, but by the half year. There is a satisfactory explanation for every item of the kind.

Senator MILLEN.—No doubt the explanation is satisfactory to the Minister. Whether it is satisfactory to this Committee is another thing. I am certain that no one wishes to hamper the Government in the transaction of business, but if in future Supply Bills are presented to us without fuller and better information being forthcoming, the Government must not complain if honorable senators decline to pass them in the haphazard fashion in which they are placed before us.

Senator WALKER (New South Wales).—There is one item, fire insurance £500, and another item for a similar purpose £30. It is not to be expected that the Government would pay their fire insurance by monthly instalments. They naturally pay the amount in a lump sum once a year. We must trust to the authorities in these matters of detail, and I see no necessity for asking for details on every little point.

Senator GIVENS (Queensland).—When the attention of the Minister of Defence was called to the large contingencies votes for other Departments than his own, he excused himself for not explaining them by saying that they did not affect his Department. But looking over the Bill I find that his is about the worst of all the Departments in this respect. Fully half the amount voted is for contingencies. For instance, in connexion with militia pay we have, on page 10, £20 for salaries, and £420 for contingencies; on page 11 we find—pay £320, contingencies £130; on

page 13, in connexion with rifle clubs, we find—pay £17, contingencies £5,000.

Senator PLAYFORD.—That is to provide the rifle clubs with ammunition.

Senator GIVENS.—But ammunition is provided for in other parts of the schedule. On several other pages I find various sums provided for "contingencies." On page 14 there is the sum of £800; and on page 10 two items of £300 and £800 respectively, under the same head, in connexion with rifle clubs and associations.

Senator PLAYFORD.—There is practically no pay in connexion with the rifle clubs and volunteers, except for instructors.

Senator GIVENS.—The Minister cannot shelter himself on this occasion behind the fact that these items concern another Department, and that, therefore, he cannot be expected to know the particulars. The items to which I have referred are in his own Department, which is the very worst sinner in this respect. We have the right to more information, and, whilst I do not intend to resist the passage of this Bill, I shall not be so complacent in the future.

Senator PLAYFORD (South Australia—Minister of Defence).—When the annual Estimates come before us for consideration, I shall give honorable senators all the necessary information. It has not been the custom to give full particulars on Supply Bills of the character of that before us. As to rifle clubs and volunteers, there is, as I have said, no pay to be provided for, except that of instructors, and we lump the ammunition and other stores under the head of contingencies.

Senator CLEMONS.—Will the Minister promise to give us the details of the contingencies when the annual Estimates are before us?

Senator PLAYFORD.—I promise to do so when the general Estimates come down. If this morning any honorable senator had expressed a desire to have details of any items provided for contingencies—which, in this case, cover everything but pay—I should have been very pleased to obtain full particulars. I am not in a position to give the information now, and I may point out that no Minister has ever been asked to supply particulars of the kind on similar occasions.

Senator CLEMONS.—Oh, yes.

Senator Sir JOSIAH SYMON (South Australia).—When in office, I was constantly asked for particulars of this kind, and I do not think the Minister of Defence can

fairly complain of having been worried on the present occasion.

Senator PLAYFORD.—No.

Senator Sir JOSIAH SYMON.—Of course, on a Supply Bill, there is great difficulty in entering into details. The items are usually given in a sort of rough and ready round sum, which is put down in the expectation that it will cover the probable expenditure for the month.

Senator GIVENS.—And a bit over.

Senator Sir JOSIAH SYMON.—There is probably a margin. Nevertheless, I think that we are fairly entitled to expect the Minister to give us some approximate idea of what "contingencies" mean. Otherwise there might as well be a schedule simply containing the total amount required.

Senator PLAYFORD.—We do give some details.

Senator Sir JOSIAH SYMON.—It would be of no earthly use to hand over the Estimates to honorable senators, because we cannot at this stage deal with them, and they afford no guide to the items in the Supply Bill.

Senator PLAYFORD.—Last year's Estimates would afford a guide, because the Bill is based on those Estimates.

Senator Sir JOSIAH SYMON.—The Estimates would not explain the item of "contingencies." If we were inclined to criticise the Estimates now, we should immediately be told that they were not before the Committee, and if we moved to reduce an item in the Supply Bill, excepting by some such arrangement as I previously suggested, it would not help us to determine the amount that ought to be allowed for the month's supply. The Minister is taking the right position in one respect, in saying that exact particulars cannot be supplied, but we ought to have some approximate idea of what is intended to be covered by the amount set down.

Senator MATHESON (Western Australia).—I ask Senator Playford to bear in mind a promise which was given to me last year, in connexion with the Royal Naval Reserve.

Senator GIVENS.—Who made the promise?

Senator MATHESON.—I forget which particular Government was in power, but I take it that a promise made by one Government is treated as an heirloom by the succeeding Government. On previous occasions, the advance made to the British Government for the Royal Naval Reserve

has been described as an advance to the "Imperial" Government. Exception was taken to the word as not being the correct official title of the British Government. The promise was then made that in succeeding Supply Bills the expression would be brought into line with that used by the British Government itself. I call attention to the matter, because I consider it vital.

Senator Sir JOSIAH SYMON (South Australia).—I know that Senator Matheson takes a great deal of interest in this matter.

Senator MATHESON.—In the word.

Senator Sir JOSIAH SYMON.—Well, in the word. The promise of which the honorable senator speaks was not made by the late Government, but by Senator Dawson, on behalf of the Government in which he was Minister of Defence. In my opinion, "Imperial" is the proper word, because it is the word used in the Naval Agreement, and also, I believe, in the Act. I mention this now, so that the Minister of Defence may not too readily acquiesce in the substitution of "British" for "Imperial."

Senator PLAYFORD.—The word "Imperial" is used in the annual Estimates.

Senator Sir JOSIAH SYMON.—And it is the proper word, because it correctly indicates the definite purpose of the vote.

Senator MATHESON (Western Australia).—It has escaped my learned friend that although "Imperial" is used in the Naval Agreement, it is used in the part framed by the Commonwealth Government. In the part of the Agreement framed by the British Government we will find that the words are "The Government of the United Kingdom of Great Britain and Ireland." If the honorable and learned senator refers to any Act of the British Parliament or indeed any document in which this reference has to be made, the word "Imperial" is not by any possible chance used, except in connexion with India; and we are not in the position of India. I believe in adhering strictly to the correct phraseology in all these matters.

Senator DOBSON (Tasmania).—I ask the Minister representing the Postmaster-General, whether there is any limit of time during which subscribers may continue to use the telephone? May business or social conversation, or gossip go on for an hour, irrespective of the inconvenience caused to

other subscribers? If there is no regulation on the point, will the Minister consult the Postmaster-General as to the advisability of having a regulation?

Senator KEATING (Tasmania—Honorary Minister).—Personally, I know of no regulation of the kind. I believe the time is left to the discretion of the subscribers, and, to some extent, to that of the telephone clerk, who can ascertain from time to time whether the parties are still in communication or wish to be disconnected. I shall make inquiries, and let the honorable senator know the result.

Senator STEWART (Queensland).—Am I in order in referring to the hours worked by some employés in the Post and Telegraph Department on this vote?

The CHAIRMAN.—I think the honorable senator can connect that matter with the proposed expenditure.

Senator STEWART.—I desire to draw attention to the number of hours that Post Office employés in Brisbane—and also, I believe, in Sydney and Melbourne, although I am not quite sure—have to be on duty. Some of these men have to be at call from 5 o'clock in the morning until 10 o'clock at night, in order that they may make up a work-day of eight hours. During the whole of the seventeen hours they have to be on hand if the head of the Department desires them to do any work. Does the Minister representing the Postmaster-General look upon this arrangement with approbation? A man may be called upon at 5, and be dispensed with at 7; called again at 9 and dispensed with at 11; called at 3 in the afternoon and dispensed with at 5; and called back at 9 o'clock, and made to work until 10 o'clock. Such conditions would be known as sweating if they prevailed on the premises of a private employer; indeed, I do not think that a private employer would ask his people to spread their day's work over such a large number of hours. I should like to know whether the Postmaster-General will do something to remove this great source of complaint on the part of Post Office employés. The Commissioner has fixed those hours, and has been appealed to without result, so that it is high time Parliament interfered. The difficulty could, no doubt, be got over very easily if the heads of the Department and the Commissioner were anxious to deal squarely by the men. But it has been so long the custom to call the men at any and every hour that the authorities resent any

attempt to place the conditions on anything like a fair basis. I am assured by the men that they are quite willing to sacrifice their own convenience to a great extent to assist in carrying on the work, but they consider the present regulations too bad. They point out that in a large number of instances it is not possible for them to go home, and they are compelled to spend the intervals either on the street, or somewhere else, to their great inconvenience and sometimes expense. In other cases where men had to go home there was extra expense incurred for car fares, railway fares, and so on. On the whole, the arrangement is a very unsatisfactory one for the men, and I should be pleased if Senator Keating, as representing the Postmaster-General, would bring this matter under the notice of the head of the Department, and try whether some better arrangement might not be arrived at.

Senator KEATING (Tasmania—Honorary Minister).—In answer to the honorable senator, I should like to say, as I have said once or twice before, that any representations which honorable senators make in the discussion of the classification scheme, to the effect that the principle or policy of the Public Service Act has been departed from, will be properly tabulated and submitted to the Public Service Commissioner for his consideration. It appears that in the matter referred to by Senator Stewart the men have exercised their right to appeal, and have been, so far as they are concerned, unsuccessful. But I shall bring the honorable senator's representations under the notice of the Postmaster-General, whether he refers to them again in dealing with the classification scheme or not, in order that, if on inquiry the Postmaster-General should think it necessary, they can be dealt with by him in conjunction with the Public Service Commissioner.

Schedule agreed to.

Postponed clauses 2 to 4 agreed to.

Bill reported without requests; report adopted.

Bill read a third time.

## COPYRIGHT BILL.

### SECOND READING.

Senator KEATING (Tasmania—Honorary Minister).—I move—

That the Bill be now read a second time.

Although it is late, I move the second reading of the Bill to-night. I shall prob-

ably not occupy much more than about half-an-hour, and then honorable members will have the advantage of being able to consider what I have had to say on the measure before they discuss it. Honorable senators have had copies of the Bill for something over a week, and have no doubt given due consideration to its provisions. Seeing that this is about the first time that we have attempted in any of the Australian States to legislate somewhat comprehensively on this subject, it will perhaps not be out of place if for a few minutes I refer to the origin of the law of copyright, and its gradual development, and briefly sketch the position in Australia at the present time. Honorable senators will know that copyright, as it exists, rests on the principle that an author is just as much entitled to the work and product of his own brain as is any private individual to any personal property, and that he is entitled to turn that property in the product of his own brain, to such profitable account as he can. Copyright did not, of course, engage any serious attention on the part of people until after the invention of printing. Prior to the invention of printing, of course, students who had given their attention to translating or writing a work, after completing it and submitting it to the public, found that what they had done had engaged so much of their time, that it was hardly likely any one would take advantage of their work to the extent of copying it in more than, perhaps, one or two instances. After the introduction of printing the possibility of, so to speak, indefinitely multiplying the product of an author's brain gave rise to a new set of circumstances. I think it is Hallam who tells us that the first recorded instance of copyright is a grant by the Senate of Venice in 1469 to a man named John Spirese, and that was the right to reproduce *Cicero's Letters*. It had always been admitted that an author had undoubtedly the exclusive right to the manuscript of his work, but with the possibility of converting that work into a profitable book, and so multiplying it indefinitely, a new set of circumstances, as I have said, arose. Trade custom and the decisions of the Equity Courts always recognised that the author had an exclusive right to his unpublished manuscript, but as soon as printing came into existence, as honorable senators are aware, various Sovereigns endeavoured, so far as they could, to regulate, direct, and

*Senator Keating.*

control, almost directly and personally, the licences to print and to publish by means of printing. It was looked upon almost as one of the prerogatives of the Sovereign, and Sovereigns used this prerogative, if I might so call it, to licence the publication of books from time to time for the purpose of granting monopolies to individuals, and at the same time, obtaining some compensating advantage for themselves. We find in the history of the early development of the law of copyright, that once an author published his previously unpublished manuscript, the question arose whether at common law he had any exclusive right to the multiplication of copies of his work. The Stationers' Company, as honorable senators will no doubt remember from their reading of the history of England, had its charter, and the Royal authorities conferred on the Stationers' Company the right and to some extent the duty of regulating and controlling publication. They exercised this right, or discharged this duty, from time to time by their orders and decrees. We find working with them at the time, or some time a little later, the Star Chamber, which, by its decree in 1687, prohibited printing without a licence. In 1662, under a Licensing Act, the Lord Chamberlain was empowered to licence the printing and publication of certain books. This Act of 1662 was continued by successive Parliaments from time to time, and was finally repealed in 1691. Once it was repealed, again was revived the discussion on the common law right of an author, and the common law right of a printer to the exclusive right to multiply the publication of an author's work or works first printed by the printer. I may mention, in this connexion, that in the history of this branch of law, up to that time, the people who considered themselves most concerned with what might be called copyright, were not the authors, but the printers. Nearly every discussion that took place as to the right of exclusive publication, as to the right of the printer in a book, and his right to reprint it once it had been produced, dealt with the question from the point of view of the interests, not of the authors, but of the printers and publishers. It was not until 1709 that there was a real Copyright Act placed on the statute-book. That statute was passed in the eighth year of the reign of Queen Anne. It is still open to a considerable amount of doubt whether that Act really recognises that there was a right in common law to copy-

right, or whether it contemplates bringing into existence for the first time by statute a copyright such as we are familiar with to-day. At any rate, it was not until sixty-five years later, in 1774, that in the course of the case *Donaldson v. Beckett*, in which twelve Judges were called in to give their opinions on a certain number of questions categorically submitted to them, that a long cherished illusion was shattered. That was the illusion entertained on the part of publishers that they had something like a perpetual copyright, apart altogether from statute. It was just subsequent to this that authors began to recognise that authorship offered many of the advantages of a profession. Previously a good many of the authors, to whom we are indebted for some of the best literature we have, wrote with a view to fame and immortality, and wrote at the same time under the patronage of some wealthy public or private man. The first statute of modern importance that we have in connexion with copyright, apart from a Sculpture Copyright Act of 1798, and some Engraving Copyrights Acts, was passed in 1814, and it gave copyright to the original writer of a book for a term of twenty-eight years, or for life. The measure of copyright protection afforded by the Act gave rise to considerable discussion, and in 1842 the Imperial Parliament passed a Bill which is for all practical intents and purposes our starting point. By that Act copyright was given for a period of forty-two years, or for the life of the author, and seven years afterwards, whichever of the two periods should be the longer. Conditions were made that there should be a registration of the book at Stationer's Hall, and that it should precede any action for damages for infringement. Registration was not a necessary precedent to the acquiring of copyright; the publication of a book by a British subject in the United Kingdom, and a compliance with other conditions of the Act, entitled him to copyright. It subsisted in him, but if it were infringed by anybody it was not competent for him to take an action for damages for infringement until he had registered his copyright as prescribed by the Act, and once he had registered he could sue, not simply in respect of subsequent infringement, but also in respect of prior infringement. The copyright given by the Act of 1842 extended the area of copyright to the whole of the British Dominions. So that if a British subject in England brought out a

book which he copyrighted, he had copyright not merely in the United Kingdom, but throughout the whole of the British Possessions. There was no corresponding or reciprocal provision made for those who brought out their books in any of the Colonies. It was a mere oversight, apparently not intentional, and the position was that any one who brought out a book in a British Colony obtained only the benefits of the copyright law, if any, of that Colony. In 1886, the Imperial Parliament passed a Copyright Act which, amongst other things, granted to colonial authors—that is, to authors in British Possessions—all the advantages throughout the British Empire that were obtained previously under the Act of 1842 by British authors who obtained their copyright in the United Kingdom. I wish honorable senators to bear in mind that all these Imperial enactments have force and effect throughout the British Empire, and that the copyright law of a British Possession is only supplemental to or concurrent with the Imperial legislation which is in force. For some time there has been a tendency on the part of different nations to enter into mutual arrangements with regard to the recognition of copyright from country to country. So far as Great Britain is concerned, this was done in 1884 by Orders in Council, and by copyright treaties with foreign countries. But in 1887 there was held at Berne a Conference, at which a number of countries were represented. The net result was the drawing up of an agreement known as the Berne Convention by which the countries there represented agreed amongst themselves each to recognise under conditions specified any copyright obtained in any of the others. The English Act of 1886 was passed in anticipation of the Berne Convention. It provided that the Berne Convention might be adopted and applied by Order in Council. An Order in Council was consequently passed on the authority of the Act after the Berne Convention had been settled. So that the Berne Convention, the Imperial Act of 1886, and other Imperial Acts, now apply throughout the whole of the British Dominions. The result is that if in, say, Spain, a writer brings out a book which is copyrighted there, he has also copyright in every other country which is a party to the Berne Convention, including Great Britain and all her Possessions. When, therefore, an author copyrights in his own

country, the protection is extended by this international arrangement throughout the British Empire. That is the position in which we find ourselves to-day. By the Act of 1886 an Australian who copyrights his book in Australia gets reciprocal advantages throughout the British Empire, and those countries which are parties to the Berne Convention.

Senator WALKER.—Was the United States a party to that Convention?

Senator KEATING.—It was not, and unless it has come in very recently it is not still.

Senator WALKER.—It is not.

Senator KEATING.—The duration of such international copyright in British Possessions is either the duration according to English law—that is, for forty-two years, or the life of the author, plus seven years—or the duration under the law of the country of the book's origin, whichever is the shorter, not whichever is the longer. Apart from our States Copyright Acts we have therefore operating in Australia the Imperial Acts from 1842 to 1896, and also by the Order in Council under the Act of 1886, the provisions of the Berne Convention. In 1891 the United States, by what was known as the Chase Act, empowered non-citizens and non-residents to acquire a copyright in books published in the United States, but amongst other conditions all the work in connexion with the composition and printing of the books had to be done locally. It was a provision of a more or less protectionist character. The book had also to be printed in the United States prior to its being printed elsewhere. Analogously to this, I might mention that if an American dramatist wishes to acquire performing right, or, as it is sometimes erroneously called, dramatic copyright, in Great Britain, his first performance has to be given in Great Britain, or simultaneously in point of time in Great Britain and the United States. On the question of colonial copyright, the Imperial Act of 1842 gives copyright in books published in the United Kingdom, and under the Act of 1886 a colonial author who publishes locally is entitled to copyright throughout the British dominions, and also the countries which are parties to the Berne Convention. The English statutes are very numerous. Those which apply to Australia, as well as to other British possessions, number about eighteen, running from 8 George II., chapter, 13, to 2

Edward VII., chapter 15; and then we have the conventions of Berne of 1887 and Paris of 1896. These statutes deal, some with engravings, some with sculpture, some with plays, some with lectures, some with books, and some with paintings. It has been remarked that they have been drawn at different times, and that there is no congruity, so to speak, characterising them. To use the words of an eminent authority, Lord Thring—

They are drawn in different styles, and some are drawn so as to be barely intelligible. Obscurity of style is only one of the defects of these Acts. Their arrangement is often worse than their style. Of this the Copyright Act of 1842 is a conspicuous instance.

There has been a disposition on the part of certain persons in Great Britain to adopt a very comprehensive and up-to-date Copyright Act. I have just mentioned the conditions which the United States impose upon the acquisition of copyright. In 1875 Canada passed a Bill which would enable persons non-resident to secure copyright, provided that it was first published in Canada, or published there simultaneously with publication elsewhere; but that provision seemed to be in conflict with the Imperial Act of 1842. Grave doubts were expressed as to whether it was competent for Canada to impose conditions on the acquisition of copyright there when that Imperial Act already provided that British authors could obtain copyright throughout the British dominions. A Commission was appointed to inquire into the matter, and the result of the inquiry was that the Imperial Parliament had to pass a statute to empower the Queen to give her assent to the Canadian Bill.

Senator PEARCE.—But did the Constitution of the Dominion give power to legislate as to copyright in the same way as our Constitution does?

Senator KEATING.—Yes. The conditions which the Canadian Parliament imposed were in conflict with the conditions which the Imperial Act imposed for the acquisition of copyright throughout the British dominions, and the result was that an Imperial Act had to be passed to empower the Queen to assent to the Canadian Bill for the purpose of setting at rest any doubts.

Senator MULCAHY.—Would that have to be done in our case?

Senator KEATING.—If we passed a provision in conflict with the Imperial statute law which prevails throughout Australia, the Bill could not, I think, be sub-



mitted for the Royal assent until an enabling Act had been passed, as in the case of Canada.

Senator MILLEN.—Assuming that this Bill should become law, would the Imperial Acts remain in force here?

Senator KEATING.—Yes.

Senator DOBSON.—Canada copied the American principle of copyright.

Senator KEATING.—To some extent, but it was not so strict as in the United States. The Canadian Act gave rise to the consideration of many questions, and led in 1875 to a Commission being appointed to investigate the whole subject of copyright. They found all these divergencies, differences, want of harmony, and want of certainty pervading the whole statute law. They brought up a report recommending the enactment of certain provisions which would bring the copyright law into conformity with the requirements of the times. Every text book writer on the subject of copyright is constantly giving his readers cases where the utmost doubt exists as to what is the proper interpretation of the law. Scruton, the celebrated writer on the law of copyright, speaks of the circumstances I have just referred to in these terms at page 48 of the second edition of his textbook—

It only remains to add that, the national question being settled for a time by the Act of 1842, increased facilities for intercourse, and the spread of education led to knotty questions of International and Colonial copyright. A Canadian Act of 1875, thought to clash with the Imperial Act of 1842, was the cause of the appointment of the Copyright Commission in 1875, under the chairmanship of the late Lord Stanhope, who, as Lord Mahon, had introduced the Bill of 1842. After taking much valuable evidence, it reported in May, 1878, and the changes in the Law of Copyright which it recommended still wait legislative enactment till the House of Commons shall set itself in order and make better arrangements for accomplishing the legislative work of the nation.

In the United Kingdom and Australia we have the following varying terms of copyright. In regard to books, in the United Kingdom the period is the life of the author and seven years, or forty-two years, whichever period is the longer. In New South Wales, Victoria, Queensland, South Australia, and Western Australia, the same law applies. In respect of the fine arts, including paintings, drawings, and works of sculpture, in the United Kingdom the term of copyright is the life of the author and seven years, or forty-two years whichever period is the longer. In New

South Wales and Victoria, the period is fourteen years. In Queensland the law of the United Kingdom applies. In South Australia and Western Australia, the period is fourteen years, and in Tasmania there is no provision. In the case of photographs the term is in the United Kingdom the life of the author and seven years, or forty-two years, whichever period is longer. In New South Wales and Victoria the period is three years. In Queensland the law of the United Kingdom applies. In South Australia and Western Australia, the period is three years, and in Tasmania no provision is made. In the case of engravings or prints, the term in the United Kingdom is twenty-eight years, and in New South Wales and Victoria fourteen years. In Queensland the law of the United Kingdom applies. In South Australia and Western Australia the term is fourteen years, and in Tasmania there is no provision. In the case of telegraphic news, in the United Kingdom no provision, unless there has been a very recent one, is made for protection. No provision is made in New South Wales, Victoria, or Queensland. But in South Australia there is protection for twenty-four hours from time of publication, but not to exceed thirty-six hours after receipt of the news. In Western Australia the term of protection is seventy-two hours from time of publication, and in Tasmania forty-eight hours from time of publication. To give a few instances of variations of terms of protection in different countries, whilst, as I have explained, in the United Kingdom the term is the life of the author and seven years, or forty-two years in all, whichever term is the longer, in Spain the term is the life of the author and eight years after his death.

Senator Sir JOSIAH SYMON.—That is the term against which Macaulay protested as being too long.

Senator KEATING. — Quite so. In France the term is the life of the author and fifty years after his death; and in Belgium copyright is granted for the life of the author and twenty years after his death. This Bill will, if passed into law, have effect in the Commonwealth side by side, so to speak, with the Imperial enactments already in existence in connexion with this subject. But we can make special provisions in our copyright law, and we can impose special conditions by which these

special provisions can be secured. I will explain what this Bill purports to do. In the first place, in Part II. it sets out the method of administration, which is analogous, generally speaking, to the method prescribed under the Patents Act and the Trade Marks Bill with which we have dealt. Clause 12 provides for the transfer of the administration of States Copyright Acts to the Commonwealth. In Part III. copyright is defined. It includes the exclusive right in connexion with books and musical and dramatic compositions to do certain things specified. Amongst those things is included the right to abridge or translate a book. Those are rights which, under some conceptions, do not exclusively belong to the owner of a copyright. But we are making special provisions in these particulars. Also in paragraph *b* of clause 13 we make provision in the case of a dramatic work for the owner of the copyright to have the exclusive privilege of converting it into a novel, and for the converse. That is to say, we reserve to the author the right to novelize a drama or to dramatise a novel. The Bill also provides that copyright shall subsist in every book, whether the author is a British subject or not, which book has first been published in Australia before, or simultaneously with, its first publication elsewhere. We do not make that a condition of copyright in any case; but we say that if the book has been first published in Australia simultaneously with its publication elsewhere, copyright shall subsist in that book. The word "simultaneously" means according to a definition in the Bill itself within fourteen days. Of course we cannot take away the copyright here which an author may have acquired in Great Britain, or in any of the countries having relation to Great Britain under the terms of the Berne Convention. But this provision simply makes it clear that when a book is published in Australia copyright under this Act shall subsist in it, and that all the advantages of this measure shall be given to it. We provide throughout this Bill a uniform period for copyright of a book, or of an artistic work including photographs for the performing rights in a dramatic or musical production, and for the lecturing right of a lecture. That period is the life of the author of the book, of the work, or of the lecture, or of the owner of the dramatic or musical work, with thirty years added in each case.

*Senator Keating.*

Senator WALKER.—Will a sermon receive the same protection as a lecture?

Senator KEATING.—No; special provision is made that sermons and political addresses do not come under the provisions of this copyright measure.

Senator MILLEN.—What! Is there to be no copyright in political addresses?

Senator KEATING.—If the honorable senator chooses to deliver a political address as a lecture, and takes steps to preserve the copyright, perhaps he may do so. Otherwise political addresses are excluded from the benefit of this Bill. The term of thirty years from the death of the author is adopted in consequence of the recommendation of the Imperial Royal Commission, to which I have referred. I may add that this Bill has been drawn largely upon the lines recommended by that Commission, whose report has been published, and is available in the Library.

Senator DOBSON.—Those recommendations are, I think, a little in advance of the English copyright law.

Senator KEATING.—Yes, they are.

Senator DOBSON.—They have not been adopted in Great Britain.

Senator KEATING.—No, owing to the reasons explained in the text-book of Mr. Scrutton, from which I have quoted.

Senator Sir JOSIAH SYMON.—What is the date of that Commission?

Senator KEATING.—The date of its report is 1878. It is further provided in the measure that the author of a book or artistic work shall be the first owner of the copyright in that book or work; that the author of a dramatic or musical work shall be the first owner of the performing right; and that the author of a lecture shall be the first owner of the lecturing right. I may mention with regard to lectures that a lecturing right may be preserved by the author in a very simple manner—by announcing orally before he delivers his lecture that he reserves to himself the lecturing right, or by means of a written announcement placed conspicuously in the hall where the lecture is delivered; the idea being, of course, that it may not be suggested that once a man has prepared his lecture and delivered it to the public he has necessarily dedicated it to the public.

Senator Sir JOSIAH SYMON.—That has been decided in Caird's case in regard to University lectures. A man is entitled to take notes for his own use, but not for publication.

Senator KEATING.—There are special provisions in the law with regard to certain University lectures. It is obvious that, should the author so desire, a man should be restrained, after having heard a lecture, from re-delivering that lecture orally, just as he should be restrained from taking a full note of it and publishing it as a book. A provision is therefore made in the Bill to reserve the lecturing right in a lecture to the author of it, provided that he complies with some very simple conditions. Of course, if he prints his lecture and publishes it, he makes it a book, and may at once secure the protection which belongs to copyright in a book. Provision is also made for the case of joint authors and separate authors, and also for the case of encyclopædias and periodicals, and articles contained in such publications. These, however, are all of them rather matters for consideration in Committee. Provision is made in the clauses regarding copyright in articles published in periodicals, which secure in all circumstances due consideration, both for the owner of the magazine or periodical, and for the writer of the article. Provision is also made in the Bill for insuring that copyright shall be personal property, and be capable of being dealt with as such. In clause 29 it is provided that, although the right of translation is reserved to the owner of a copyright, unless a translation of his book into a particular language is made within ten years from the date of publication, a person desirous of translating the book may make an application to the Minister, who may call upon the author or owner of the copyright to show cause why the applicant should not be allowed to make a translation. If the owner or author is not in a position to show cause, the Minister may grant the application of the person desirous of making the translation.

Senator WALKER.—Is it intended to restrain American publishers from sending copyright books to Australia, as they do not extend recognition to our copyright law?

Senator KEATING.—It is provided by the Customs Act that copyright books cannot be introduced into Australia from piracies of any country. There are other provisions in this Bill of a drastic character bearing upon the same point, to which I shall later on refer. In clause 33 the proprietor of any news agency or newspaper is granted copyright in news obtained exclusively by him abroad for a period of twenty-four hours. Part V. of the Bill

deals with infringements of copyright. In this part of the measure Senator Walker will find ample provisions such as he desires. There is, first, the ordinary common law action for damages in case of breach of any of these rights. That applies both to copyright in a book or artistic work, to performing rights, and to lecturing rights. In the case of an action for damages, if the defendant objects to the plaintiff's title, he has to give notice of his grounds, so that the plaintiff shall not be taken at a disadvantage. In clause 50 Senator Walker will find that—

If any person (a) sells or lets for hire, or exposes, offers, or keeps for sale or hire any pirated book or any pirated artistic work; or (b) distributes or exhibits in public any pirated book or any pirated artistic work; or (c) imports into Australia any pirated book or pirated artistic work,

he is guilty of an offence and liable to a penalty. But there is a proviso that no person shall be convicted of an offence if he proves to the satisfaction of the Court that he could not, "with reasonable care," have ascertained that the book or artistic work was pirated. We also provide that where there is an infringement of a dramatic or musical right, the person who has let the theatre or place of entertainment where that infringement has taken place, may be prosecuted for an offence, except that if the person prosecuted proves that he "could not with reasonable care," have ascertained that the work was performed in infringement of the rights of the owner, he is not liable. I may explain that in most instances, the managers or authors who own copyrights in dramatic and musical works, invariably circularize the owners of theatres and other places of entertainment, and lists are in consequence generally kept in respect of pieces in which copyright subsists. Clauses 52, 53, 54, and 55, are provisions to which I invite the attention of the Senate, before the Bill gets into Committee. The united effect of them is this: Many piracies take place on the part of persons against whom it is useless to proceed for damages, or to take out an injunction, because, to put it in the vernacular, they are not worth powder and shot. Therefore, some summary remedies have to be provided to give authors protection against such piracies. In this instance, we make provision that a justice of the peace, may, on the application of any owner of a copyright, issue a search warrant, and order a search to be made,

the pirated goods may be seized, and the magistrate may deal summarily with the matter of their disposal. We also make provision that the owner of the copyright, if he has reason to suspect that a person has pirated copies in his possession, may, by notice, require that person to deliver up the copies, and if the person does not do so he is guilty of an offence, punishable summarily, and liable to a penalty of £10. But having armed the owner with a summary remedy, it is only fair to the other person and the community generally that the owner should be put in such a position that he will not exercise the power without due caution. Therefore, it is further provided, under penalties, that the owner shall not give any such notice without just cause, and if he is prosecuted for giving notice without just cause the onus of proof is put on him that he is the owner, and that at the time he took action he knew or had reason to believe that such copies were in the other party's possession. These are some of the special provisions of the Bill, by which we propose to give protection to international copyrighted works, so long as they are registered under the Bill. The other provisions simply deal with pirated works generally. Part VI. deals with international and State copyrights, and provides for the protection of all such copyrights in existence in Australia prior to this measure. It is also provided in Part VI. that anybody who has either an international copyright or an Imperial copyright—and the latter includes the international—may register, and thus, in addition to all the privileges, powers, and rights he at present enjoys by virtue of the Imperial Act and the Berne Convention, he may then obtain all the facilities, privileges, and powers which are granted by the Bill, but which neither the Berne Convention nor Imperial legislation secures to him. It is simply provided that if a book be first published in Australia, or published simultaneously here with its first publication elsewhere, it has all rights under this Act apart from registration; and that the owner of an international or Imperial copyright, if he wishes the additional privileges of this Act, may obtain them by the simple method of registration. Part VII. deals with the method of the registration of the copyright, and of the assignment and transmission of interests; and the other provisions relate to the rectification of registration, and the necessity of an owner

*Senator Keating.*

registering before he sues for damages. The final part of the Bill simply makes provision against the suppression of books, and for regulations. If honorable senators have regard to the condition of the present law—with the Imperial Act, the various State Acts, and the provisions of the Berne Convention in relation to international rights, all operating—they will see how necessary it is to have some clearly defined system of legislation for the whole of the Commonwealth. This Bill is intended to meet the situation, and in great part it follows very largely the lines laid down by the Imperial Commission, which bestowed a great deal of care, attention, research, and thought to the whole subject. I think I can say with confidence that if the Bill be passed in its present—or anything like its present form—it will be regarded, not only in Australia, but in other parts of the Empire, as marking a distinct advance in legislation—perhaps the greatest advance that has been made on this subject, and one well in conformity with, and not behind, the necessities of the times.

Debate (on motion by Senator MILLEN) adjourned.

Senate adjourned at 10.20 p.m.

## House of Representatives.

*Thursday, 24 August, 1905.*

Mr. SPEAKER took the chair at 3.15 p.m., and read prayers.

### PERSONAL EXPLANATION.

Mr. WILKINSON (Moreton).—In one of the Melbourne newspapers published this morning, it is stated that I voted last night for the amendment of the honorable member for Dalley, whereas I voted with the Noes, as I did not consider that the charge made against the Attorney-General had been substantiated. As the journal in question has a large circulation, I think it due to myself and my constituents to make this explanation.

### DEFECTIVE AMMUNITION.

Mr. KELLY.—I desire to ask the Minister representing the Minister of Defence, without notice, if his attention has been directed to a statement in this morning's *Age* to the effect that certain ammunition issued by the Ordnance Department between the 12th dates of 26th May

and 2nd August, of this year, has been shown to be very defective? Was the ammunition in question supplied by the Colonial Ammunition Company? If so, I wish to know what action the Minister of Defence proposes to take to see that in future ammunition issued by this company shall be up to the standard requirements.

Mr. EWING.—Does the honorable member refer to the ammunition used in certain rifles which have burst?

Mr. KELLY.—Yes.

Mr. EWING.—Immediately after the occurrences in question, a Board was appointed to inquire whether they were due to defective powder or to faulty rifles, and I am sorry that the report, for which I made inquiry this morning, is not yet to hand. As soon as it is ready, I will let the House know.

Mr. PAGE.—Will the honorable member lay the report on the table?

Mr. EWING.—The House will be given full information at the earliest moment.

#### ENGLISH MAIL CONTRACTS.

Mr. FISHER.—In view of the statement of the Premier of Queensland that the Parliament of that State is about to ratify a contract with the Orient Steam Navigation Company, under which the company's steamships will visit Brisbane, I ask the Postmaster-General if this House will be given an early opportunity to discuss the Commonwealth contract with the company for the carriage of mails, upon which the other contract will really hinge. Can he say on what date the House will be asked to ratify the contract?

Mr. AUSTIN CHAPMAN.—I am anxious to move for the ratification of the contract as soon as possible, and I hope to be able to do so immediately the debate on the second reading of the Manufactures Encouragement Bill is finished, perhaps tomorrow afternoon, or on Tuesday next.

#### COMMONWEALTH PRESS WRITER.

Mr. HUTCHISON.—I wish to direct the attention of the Prime Minister to a couple of articles which I have received, written by Mr. John Plummer, who is paid to give, according to his own statement, "reliable information respecting the character, resources, capabilities, &c., of the Australian Commonwealth." In one of these articles the writer says that "Ample provision for the establishment of village settlements

is also made in South Australia." As that statement is inaccurate, I ask the Prime Minister if he will see that in future Mr. Plummer disseminates only accurate information?

Mr. DEAKIN.—I have not read the articles referred to, but I shall have the attention of the writer called to the honorable member's complaint.

#### ANKYLOSTOMIASIS.

Mr. WILSON.—I wish to know if the Prime Minister has noticed that a fatal case of ankylostomiasis, or dirt-eating disease, is reported from Williamstown, said to have been caused by cotton imported from abroad? Will the honorable gentleman take steps to prevent its further spread?

Mr. DEAKIN.—I will call the attention of the Department interested to the honorable member's statement.

#### PAPER.

The CLERK laid upon the table the following paper:—

Return to an order of the House dated 10th August, relating to the High Court arrangements and expenses.

#### CAIRNS CUSTOMS HOUSE RESERVE.

Mr. BAMFORD.—Is it the intention of the Department of Home Affairs to retain the whole of the land at Cairns now occupied as a Customs House reserve, or is it intended to retain only a portion of it?

Mr. GROOM.—The Inspector-General of Works is in Queensland making inquiries in connexion with transferred properties, and will give his attention to this matter. He is to report immediately on his return to Melbourne next week.

#### SERGEANT FALLON.

Mr. CONROY.—Will the Vice-President of the Executive Council, who represents the Minister of Defence in this House, see that some provision is made for the widow of Sergeant Fallon, who was accidentally killed while on duty at the Randwick rifle range. I understand that if he had been only disabled, provision could have been made for him under the regulations, but that the regulations are defective inasmuch as they do not provide for the giving of an allowance to the relatives of men who have been killed.

Mr. EWING.—The regulations do not provide for the giving of aid to the widow of a militia man who is killed when virtually on duty, and should be altered to meet cases of this kind. If the honorable and learned member will send particulars of the case to the Minister, I am sure that honorable gentleman will deal with the widow as considerably as he would desire.

Mr. HENRY WILLIS.—Will the Vice-President of the Executive Council advise the Minister of Defence to place on the Supplementary Estimates a sum of money to meet this case?

Mr. EWING.—If the case is dealt with favorably, and money is required, it should be given as promptly as possible. It is impossible to place a vote on the Estimates in Chief, and I will submit to the Minister of Defence the propriety of doing what the honorable member suggests.

#### TARIFF COMMISSION.

Mr. JOSEPH COOK.—It would appear from the answers to questions asked in the Senate yesterday, published in one of this morning's newspapers, that a daily allowance of 25s. is paid to the members of the Royal Commission on the Tariff. The statement of the Government, through its mouthpiece in the Senate, is that this allowance is not to be paid to the members of the Commission who are also members of Parliament, if the Commission is sitting in Melbourne while Parliament is in session, but if the Commission is sitting in Melbourne when Parliament is not in session, it is to be paid to such members of Parliament as do not reside in Melbourne. Further, when the Commission sits in a State other than Victoria during the session of Parliament, the allowance will be paid only to those members of Parliament who are members of the Commission who do not reside in that particular State. The answers would seem to indicate that if the Commission is sitting in Melbourne, the Chairman, who lives in Victoria, will be paid for attending its meetings, but that a member of Parliament residing in a State other than Victoria attending a meeting in that State will not be so paid. I wish to know from the Prime Minister if that is what is meant?

Mr. DEAKIN.—No. The allowance is payable at all places where sittings are held, other than the place at which the member resides, with the exception of Melbourne during the session of Parliament.

In the replies referred to, place, not State, was meant.

Mr. JOSEPH COOK.—I should also like to direct the attention of the Prime Minister to some comments on the Commission in to-day's *Age*. After animadverting in the severest terms upon the work of the Commission, the writer of the article in question says—

Week after week passes away and the Commission makes no effort to discharge the duty for which it was mainly appointed. Its Chairman has been from the first one of the causes of the Commission's barrenness. He had the direction of its efforts, and instead of taking such steps as would have made possible a progress report upon a few of the most urgent cases, he has dissipated his inquiries over a wide range of comparatively useless investigation. He has made the mistake from the first of endeavouring to magnify his office rather than of making it useful. He has talked grandiloquently of a "monumental report," when common sense pointed to a limited and specialized effort. It is a matter of common gossip in the lobbies of the House that he has entirely failed to obtain the confidence of his fellow Commissioners.

That is news to most of us—

Indeed, the disastrous failure of the Commission is very largely owing to Sir John Quick, the Chairman.

Does the Prime Minister propose to take any steps to deal with this serious reflection on a Royal Commission appointed at the instance of this House? Has he any view which he would care to express in regard to the leader from which I have quoted?

Mr. DEAKIN.—If the Government were called upon to answer all the comments which the press chooses to make on the actions of Parliament, we should do no other work.

Mr. JOSEPH COOK.—Parliament should defend its Commissions.

Mr. DEAKIN.—Yes, as the Ministry is ready, when necessary, to take action to defend itself. Not a day passes but criticism of the most hostile character appears in regard to the actions, not only of Ministers, but of Departments, and of public servants; but it is recognised that one of the conditions of free speech in a community like this is that the most opposite and antagonistic opinions shall be permitted to find expression. As one acquainted with the views of the Chairman of the Commission, I know that nothing is further from his wish than that delay should occur. He has been from the first most anxious to

press forward the inquiry at all times, and having made great sacrifices in accepting the office of Chairman, is prepared to make even greater sacrifices to expedite the work of the Commission. What is implied by the article which has been read is that the newspaper in which it is published is, in accordance with its policy, pressing in the strongest fashion for the early consideration of certain specific industrial complaints. Because the Chairman of the Commission has not adopted the line of action which the writer considers best, he censures him, as public men are continually being censured, without what appears to me an adequate allowance for difference of views or consideration of all the facts surrounding his work. The task of the Commission is one of the most complex and intricate which could well be cast upon any body of men. The Commission having thought fit to approach the work in a judicial manner, the newspaper contends that another course should have been adopted. No doubt there are a number of persons outside injuriously affected by the existing Tariff who hold opinions similar to those expressed in the press, and who give utterance in the strongest language to the view that their cases—that is, the cases of special hardship—should be first considered.

Mr. JOSEPH COOK. — And that the money derived from the taxpayers should be put into their pockets.

Mr. DEAKIN. — It is not a question of putting money into the pockets of a few manufacturers, but of affording employment to hundreds of workmen who have lost their work in consequence of the operation of the Tariff.

Mr. JOSEPH COOK. — Is that intended to be a justification of the language used by the *Age*?

Mr. DEAKIN. — It is intended to be a justification of its presentation of the views of those who are being specially affected by the operation of the Tariff.

Mr. JOSEPH COOK. — Does it justify the *Age* in publishing a scandalous libel on the Commission?

Mr. DEAKIN. — We may not agree with the strictures passed by the press on the Commission, or upon this House, and we are not expected to indorse such comments. Journalists, in common with ordinary members of the public, are at perfect liberty to express their own opinions without looking to us for any indorsement. Unfortunately, the press desires to govern this House and every Parliament of every

State—that is the constant effort of all newspapers.

Mr. JOSEPH COOK. — If this sort of thing is to go on, it will be difficult to induce honorable members to serve on any Commission.

Mr. DEAKIN. — It may also be found difficult to induce men to offer their services to the country as members of Parliament.

Mr. SPEAKER. — Order! I would point out that under the Standing Orders no question containing argument can be put, and that Ministers, in replying to questions, are not permitted to indulge in argument. The question was put in a proper form, and the Prime Minister was replying in perfect accordance with the requirements of the Standing Orders; but by interjection he has been drawn into a discussion of the question, and I would remind him that he would not be in order in continuing to argue it.

Mr. DEAKIN. — I confess that I was drawn aside from a direct reply to the question. I desire to say that such knowledge as I have of the proceedings of the Commission, and of the opinions and intentions of the chairman, do not justify the comment upon him to which reference has been made. At the same time, as every honorable member holds his own opinion on this subject, so the great journals of the State are entitled to express theirs. I wish, however, that a purely intellectual argument could be conducted without the introduction of feeling such as has been manifested both inside and outside of the House.

#### NEW SOUTH WALES POST OFFICE REVENUE.

Mr. JOHNSON asked the Postmaster-General, *upon notice*—

Whether he is yet in possession of the information necessary to furnish a reply to the following portion of a question asked upon notice on Thursday, 10th inst., and repeated on Thursday, 17th inst. :—

5. What is the amount of revenue received from the New South Wales Department from each of the following sources :—

- (a) Postal?
- (b) Telegraphs?
- (c) Telephones?

Mr. AUSTIN CHAPMAN. — The answer to the honorable member's question is as follows :—

All the information available will be found on page 2 of the Budget papers circulated on Tuesday last, and now in the hands of honorable members.

## STATE-OWNED STEAMERS.

Debate resumed from 10th August (*vide* page 818), on motion by Mr. SPENCE, for Mr. THOMAS—

1. That a Select Committee of both Houses of Parliament be appointed to make full inquiry as to the advisability of the Federal Government owning and controlling a fleet of steamers for the carriage of mails, passengers, and cargo between Australia and the United Kingdom. The Committee, so far as the House of Representatives is concerned, to consist of Mr. Glynn, Mr. Mahon, Mr. McDonald, Mr. McWilliams, Mr. Robinson, Mr. Sydney Smith, Mr. Thomas, Mr. Webster, and the mover, and to have power to send for persons, papers, and records. Four to be the quorum.

2. That the foregoing resolution be transmitted by message to the Senate and their concurrence requested in the appointment of the Committee, and asking them to appoint members to serve thereon.

Upon which Mr. DEAKIN had moved, by way of amendment—

That the words "of both Houses of Parliament," lines 1 and 2; "the advisability of the Federal Government owning and controlling a fleet of steamers for," lines 3 and 4; and "so far as the House of Representatives is concerned," lines 7 and 8; and paragraph 2 be left out.

And upon which Mr. ROBINSON had moved by way of a further amendment—

That the words "Mr. Robinson" be left out.

Mr. THOMAS (Barrier).—The honorable member for Hindmarsh was kind enough to move the adjournment of the debate a fortnight ago, in order to enable me to speak. I desire to thank the honorable member for Darling for having very kindly taken charge of this motion in my unavoidable absence from the House. I have read the discussion which has taken place, and I feel sure that it is not necessary for me to add anything to what has been stated by the mover, who has covered all the ground. I was pleased to notice that very little objection was urged to an inquiry into the subject. The Prime Minister has moved some amendments which I readily accept. I desire that this Committee shall obtain all possible information, with the idea of the Commonwealth Government ultimately becoming the owners of the steamers which carry the mails between Australia and England, because I feel sure that only when that change has been brought about shall we overcome the difficulties which beset us at present. I do not contemplate that the operations of such a line of steamers would be confined to the carrying of mails, but

that it would also convey passengers and cargo. I am very strongly in favour of the Commonwealth acquiring a fleet of steamers which will be capable of carrying the mails between here and Great Britain, and also of entering into ordinary business, such as is conducted by the present mail companies. I am contented that the whole question should be inquired into by a Committee, even though my ultimate objective is not made the main subject of inquiry, because I believe that all the arguments that could be brought to bear against my proposal would not be sufficient to outweigh the evidence in favour of Commonwealth ownership of the mail steamers. I understand that some objection is raised, and possibly with some degree of fairness, to the *personnel* of the Committee. One of the reasons why the Committee as it now stands is not fairly representative of both sides of the House is that when my motion was first framed the Reid Government were still in office. Since then, of course, the disposition of parties has somewhat changed. The honorable member for Parramatta pointed out that too many members of the Labour Party had been nominated on the Committee.

Mr. JOSEPH COOK.—Yes, in view of the fact that the objective was socialistic.

Mr. THOMAS.—I originally nominated eleven members, but the Prime Minister suggested that the number should be reduced, and I agreed to the elimination of the names of the honorable member for Grampians and the honorable member for Bourke. The former honorable member consented to be nominated merely as a personal favour to myself, because he was busy in connexion with the Old-age Pensions Commission and in other ways, and afterwards the name of the honorable member for Bourke was withdrawn. Upon the withdrawal of these names five honorable members of the Labour Party and four other honorable members were left among those nominated. The honorable and learned member for Angas asked me to withdraw his name, as he was very busy, and the honorable and learned member for Wannon also desired that his name should be withdrawn. As that would leave upon the Committee too many members of the Labour Party. I now move—

That the words, "Mr. Glynn," and "Mr. Webster," be left out, with a view to insert in lieu thereof the words, "Mr. Chanter" and "Mr. Gibb"; and that the words, "Mr. Storrer" be inserted.



The Committee will then be constituted of three members of the Opposition, four members of the Labour Party, and two members of the direct Ministerial Party.

Mr. JOSEPH COOK.—That would not be fair.

Mr. THOMAS.—In view of the fact that the Labour Party and the Ministerialists represent two-thirds of the members of the House, I do not see that any objection can be taken to the selection, except possibly by members of the direct Ministerial Party.

Mr. JOSEPH COOK.—They could not raise an objection.

Mr. FULLER.—The list now embraces the names of five members of the Labour Party, including that of the honorable member for Riverina.

Mr. McWILLIAMS (Franklin).—Although I was absent at the time that the honorable member for Barrier framed his motion, and was not consulted by him, I was quite prepared to serve upon a Committee upon which all parties of the House were fairly represented. I shall not, however, be willing to act upon a Committee such as that now proposed.

Mr. HENRY WILLIS (Robertson).—I think that the proposed Committee will be able to do excellent work, especially under the conditions proposed by the Prime Minister. In the first place, it was proposed that the Committee should have a socialistic objective, but the modification suggested by the Prime Minister places it in quite a different category. If the fullest possible information be obtained with regard to the conditions under which mails, passengers, and freight are carried between Australia and the old country, the very greatest benefit will be conferred upon our people.

Mr. JOSEPH COOK.—The honorable member for Barrier has told us that he will, as far as he can, direct the energies of the Committee to the achievement of his socialistic object.

Mr. HENRY WILLIS.—I take it that the honorable member feels that the amendment of the Prime Minister would preclude him from making the direct inquiries he first contemplated. Whilst certain honorable members might reasonably have declined to act on a Committee with an object such as that first proposed, it seems to me that no one need shirk the responsibility of assisting to conduct an inquiry such as that now contemplated. I am satisfied that if the matter is thoroughly inves-

tigated the very greatest benefit will result to the mercantile community, because excessive commissions have now to be paid by shippers who send cargo from Australia to the other end of the world. The conditions that prevail in respect of the carriage of our mails are familiar to honorable members, and will require very careful investigation. I am sanguine that evidence elicited from witnesses who would appear before the Committee would prove of very great assistance to honorable members, and I venture to predict that the next mail contract which is entered into with any of our large shipping companies would contain very much more favorable conditions to the Commonwealth than does the existing contract, owing to the information which would be derived from men who are thoroughly conversant with the conditions that obtain in the shipping circles of Australia.

Mr. FULLER. — A Royal Commission would perform the work much better.

Mr. HENRY WILLIS.—I believe that the honorable and learned member is correct in affirming that a Royal Commission could investigate this matter much more thoroughly than could a Select Committee; but I have not risen for the purpose of proposing any amendment to the motion. At the same time, I think that the honorable and learned member for Illawarra has made a very valuable suggestion. I am of opinion that the Committee proposed would accomplish much more good than is at present conceived by this House, and that its report would prove of a most valuable character. I support the amendments of the Prime Minister.

Mr. WILKS (Dalley). — I think that there is too great a tendency in this House to agree to the appointment of Select Committees, which, in time, become converted into Royal Commissions. It seems to me that if a return were prepared showing the cost already incurred by the Commonwealth in Royal Commissions, the public would be staggered by the bills which have been paid by the Treasurer.

Mr. DUGALD THOMSON.—A Select Committee would be no cheaper than a Royal Commission.

Mr. WILKS.—Exactly.

Mr. DUGALD THOMSON.—It would not, compared with a Commission, consisting of members of Parliament.

Mr. WILKS.—The tendency to appoint Select Committees and Royal Commissions without rhyme or reason simply because

some honorable member suggests a "catchy" question, is absolutely unjustified. To-day the honorable member for Barrier merely endorsed a bald resolution—he did not attempt to support it by any evidence showing that an inquiry into this matter is warranted. No man, I claim, can determine the limits to which an inquiry by this fossicking expedition would extend. If it is to be of any use at all, its members would have to visit, not only the centres of the leading States of Australia, but probably the United Kingdom.

Mr. POYNTON.—Does not the honorable member think that the subject is worthy of inquiry, seeing that we are paying so much for the carriage of our mails?

Mr. WILKS.—The data submitted is not sufficient to warrant the House in countenancing the motion for one moment. If it can be shown that excessive charges are being made by the mail companies, or that there is inefficient transport of the mails, there might be some justification for the proposal. But it is preposterous to institute a fossicking expedition simply upon a bald resolution, and no one should more keenly oppose the creation of such a body than the Prime Minister himself. If he wishes to husband the financial resources of the Commonwealth, now is his opportunity to do so. If he fails in his duty in that direction, what is to prevent any honorable member from tabling a seductive resolution in favour of the appointment of a Select Committee to inquire into almost any matter coming within the purview of Federal legislation? Under such circumstances, it is easy to conceive of the whole House being busily employed in travelling round the country. The history of this Parliament has been characterized by the appointment of too many Select Committees and Royal Commissions. Only to-day we find one of the powerful Melbourne newspapers voicing its dissatisfaction with the work of the Tariff Commission. In the face of such an expression of opinion, are we to appoint another Committee of the character proposed? Every honorable member must have heard the absolutely indecent wrangle which took place in the Chamber this afternoon regarding the *personnel* of the proposed Committee. In the blandest manner possible, we heard the honorable member for Barrier suggest the names of certain honorable members to serve on that body, four of whom are direct members of the Labour Party and two others in the

closest sympathy with them—I refer to the honorable member for Riverina and the honorable member for Bass.

Mr. JOSEPH COOK.—Two honorable members who will vote Socialism every time.

Mr. WILKS.—I will not go so far as to say that; but certainly those two honorable members have shown themselves in sympathy with the caucus movement, and caucus legislation. It has been proposed that six honorable members from the other side of the Chamber, and two honorable members from the Opposition shall serve upon the Committee. What respect could the Commonwealth pay to the recommendations of a body of that character. In view of the fact that the Ministerial party number only nineteen all told, whereas the Opposition, excluding Mr. Speaker, totals twenty-eight members, it would be a lop-sided Committee. The balance of the House is represented by members of the Labour Party. Tested from the stand-point of those figures, not even proportional representation is proposed in regard to the *personnel* of the Committee. I say that before appointing any further Select Committees, we should tabulate the cost of Royal Commissions and Select Committees up-to-date, and let the public judge for themselves how little return they have received from the expenditure incurred in this direction. Moreover, the House has yet to decide that it is socialistically inclined. I could understand the Prime Minister declaring that it was the policy of the Government to introduce a system of State ownership of steamers; but for a private member to take that stand, and for this Chamber to indorse it, would be an admission that we are prepared to receive from a Committee a report of a socialistic character. Until more reliable data is forthcoming, I shall oppose the appointment of this or any other Select Committee.

Mr. McCAY (Corinella).—When this motion was submitted, I must confess that I felt some surprise at finding that the Government concurred in the appointment of the Select Committee even with the modifications proposed by the Prime Minister. It is perfectly obvious from the honorable and learned gentleman's amendments, that the Government are not at present prepared to consider as within the pale of practical politics the suggestion of the honorable member for Barrier that a fleet of steamers should be purchased and controlled by the Commonwealth. But

instead of taking up the bold position of declaring that they would not sanction the appointment of a Select Committee to inquire into that matter, the Government emasculated the resolution and were content to saddle the country with an unknown expense, notwithstanding that there was no hope of reward accruing to the community from such an investigation. I understand that the honorable member for Barrier has accepted the amendments of the Prime Minister. This is a motion which came in like a lion, and is going out like a lamb of very poor quality—a lamb which certainly would not be graded under the Commerce Bill as fit for export. If there was any prospect of the inquiry proving of some benefit to the community, I should not stand in the way of the appointment of the Committee. But what is to be gained from such an investigation? It is proposed to appoint a Select Committee to make full inquiry as to the carriage of mails, passengers, and cargo, between Australia and the United Kingdom. Can such a body acquire from any source, information which cannot, and should not, be acquired by the Government in the course of its duty? What source of information will be open to the Committee which is not accessible to the Postmaster-General and his Department?

Mr. THOMAS.—What about the Old-age Pensions Committee and the Government of which the honorable and learned member was a Minister?

Mr. McCAY.—That interjection is entirely irrelevant. I again ask what information can be obtained by this Committee which cannot be acquired by the Government?

Mr. HIGGINS.—Its members will find that out.

Mr. McCAY.—Then the Committee is to be appointed to ascertain if it can discover something which the Government cannot find out?

Mr. HIGGINS.—That is the object of the appointment of all Committees.

Mr. McCAY.—I beg the honorable and learned member's pardon. Committees are usually appointed only when it is reasonably clear that they can gain information which is not so readily available to the Departments of the Commonwealth. I say without hesitation that the Postmaster-General's Department can secure more reliable information, and in a less space of time, than can possibly be acquired by the

proposed Committee. The object of the motion is perfectly clear. The honorable member for Barrier and his friends in the Labour corner, would constitute a majority of the Committee, inasmuch as there would be five members of their party upon it, out of a total of nine members. In other words, there would be a majority of gentlemen serving upon it who have the reputation—deservedly or otherwise—of being Socialists, and who have no hesitation in affirming that Socialism is the proper form of government to adopt. They exhibit no lack of boldness in proposing the first big experiment in the direction of nationalization—an experiment in which it would be quite impossible for the State to succeed. This proposal would mean more by a great deal than the nationalization of a monopoly. It would mean the nationalization of a service which could not be made a monopoly, except by subjecting the commercial community to such enormous inconvenience that even our socialistic friends would shrink from tackling the job. That is the nature of the proposal in its original form, but though the Prime Minister has taken all the heart out of it, these bold Socialist warriors are content to accept everything that has been proposed by way of amendment. I can understand a man holding a view, and standing up for it; but I must confess that I am surprised at the attitude of those who, having made a suggestion of this kind, and having resolved to institute a fishing inquiry, which cannot result in any good, have abandoned the whole principle concerning which they desired to have an investigation. What does the honorable member for Barrier expect such a Committee to accomplish? I notice that the Postmaster-General in the Watson Administration is to be a member of it. What does he expect to find out as a member of the Committee that he could not ascertain as Postmaster-General?

Mr. MAHON.—As members of a Select Committee, we can examine witnesses upon oath.

Mr. McCAY.—We have seen witnesses giving evidence upon oath before Select Committees and before the Tariff Commission. I am not going to say that they are prepared to swear lies; but I do say that sworn evidence is not always the best testimony which can be obtained. I do not wish the Commonwealth to incur further expense by the appointment of a body of this character without some justification being shown for it. Not a word has been

said to justify any such proposal. There has not been a suggestion that wrongs exist which can be righted by means of the information which would be furnished to this House and the community by a Select Committee, and, until that has been done, no case can be made out for its appointment. This is the first Select Committee whose appointment has been asked for without any justification being shown for its creation. The question of the carriage of mails, passengers, and cargo between Australia and the United Kingdom is undoubtedly a difficult one, but it is not one which can be settled by the sort of information which this Committee could elicit from the witnesses it is likely to examine. For example, would it call the representatives of shipping companies and force them to disclose all the secrets of their business—a power which I doubt very much whether it could exercise? If that is intended, I venture to think that its members are more sanguine than they are justified in being. No arrangements are made between the Commonwealth and shipping companies other than by open bargaining in the ordinary course of business. If it be suggested that the Commonwealth is at present paying money for the carriage of its mails which it ought not to pay, no one knows better than the honorable member for Coolgardie that, as far as the existing arrangements are concerned, it could not have hoped to get its work done at a less cost.

Mr. MAHON.—It could be done if there were no shipping rings.

Mr. McCAY.—That is the point. The honorable member ought to know that a contract for the carriage of mails between Australia and the United Kingdom is not to be undertaken by any one unless he can satisfy the Government that he is a man of substance. Speculative brokers who make offers to the Commonwealth to carry out large contracts, without giving any substantial guarantee of their ability to perform them, are not to be seriously regarded. When the honorable member for Coolgardie interjects that if there were not a shipping ring in existence this service might be carried out at a more reasonable cost, he betrays what, after all, may be the intention—although, perhaps, the unconscious intention—of the majority of the proposed Select Committee—that is, to find that no satisfactory arrangement can be made for this service in the absence of a

nationalized system of steamers. In other words, those who are to be appointed to this Select Committee wish to deal with the whole question in a way that the amendment was designed to prevent.

Mr. DUGALD THOMSON.—I do not think the amendment will prevent the Select Committee from considering the whole question.

Mr. McCAY.—Even if the motion be passed as amended, the Select Committee, if it finds that the evidence justifies it, may report that the Commonwealth alone can properly carry out this system. The Prime Minister could not possibly have realized that fact when he moved the amendment, otherwise he would have opposed the motion. I am not going to be a party to inquiries that suggest that the Commonwealth is going to attempt to become a public owner in the very direction in which public ownership would be accompanied by difficulties—difficulties far greater than those which must naturally surround the ordinary assumption of such powers. A monopoly cannot be created in this direction. I should have thought that the socialistic party would begin with something less ambitious than a proposition of this kind. If, on the one hand, the motion, as amended, will mean nothing more than an inquiry into facts, with which every one is fairly well acquainted, and which certainly could be ascertained with very little difficulty by the Postmaster-General's Department, I cannot support it; and if, on the other hand, it will leave the Committee, with its majority of avowed Socialists, open to discuss the whole question as originally proposed, I must still vote against it. I should be very glad to hear some reason, good, bad, or indifferent, for the creation of this Select Committee, and as to why the Government should be ready to indulge so cheerfully in further expenditure in this direction. Public funds have apparently no useful purpose to serve. I am ready to be convinced of the justice of any case, but those who question the wisdom of appointing this Committee are entitled to expect its advocates to give some reason for its creation. We should not vote for it merely because it has been submitted by a member of a party which controls the movements of the House, and has been agreed to by its obedient supporters in an altered form. Are we to support the motion simply because honorable members in the Ministerial corner say, "We have the numbers, and are going

to have this inquiry in some form or other." That seems to be the position, and until some good reasons are adduced for the appointment of the Committee, we shall do wrong in agreeing to the motion.

Mr. POYNTON (Grey).—The reason for the opposition to this motion is obvious. The mistake that has been made lies in the fact that the motion was submitted from the Ministerial corner. I, for one, however, wish to know why the Commonwealth should have to pay so much for the carriage of its over-sea mails?

Mr. DUGALD THOMSON. — Cannot the honorable member trust the Government to inform him?

Mr. POYNTON.—The Postmaster-General in the late Government informed representatives of the press a little time ago that an attempt was being made by the Orient Company to rob Australia—

Mr. JOSEPH COOK.—What?

Mr. POYNTON.—To extract a larger sum of money from the Commonwealth in respect of the mail service than was justifiable.

Mr. JOSEPH COOK. — Then the word "rob" was not used.

Mr. POYNTON.—That was the effect of the words which the late Postmaster-General used when dealing with the question. The honorable member for Parramatta is not always very careful in the choice of his words, but I am quite prepared to accept all responsibility for any statement I may make. It is well known that until quite recently we paid £70,000 per annum for the carriage of our mails between Australia and the United Kingdom, and that the Orient Company endeavoured to extract £150,000 a year from the Government in respect of this service. Those who are always ready to raise the socialistic bogey asserted that the demand for an increased subsidy was due to the trend of socialistic legislation—that it was practically the result of the provision in the Post and Telegraph Act that black labour shall not be employed on subsidized mail steamers. Much to their chagrin, however, they found that the company would not support them in that contention. The company itself admitted that the demand for an increased subsidy was not due to the white labour provisions of the Act.

Mr. DUGALD THOMSON.—The honorable member is wrong in his figures. We formerly paid, not £70,000, but £85,000 per annum for this service.

Mr. POYNTON.—The reason given by the company for demanding a subsidy of £150,000 was not that they would in future be required to employ only white labour, but that they were losing money on the Australian service. They wished the Postal Department practically to make up a guarantee equal to 5 per cent. on the capitalized value of their Australian service.

Mr. JOSEPH COOK.—I rise to a point of order. It is a well-known rule, Mr. Speaker, that we may not anticipate a matter that is already set down for discussion on the notice-paper. The honorable member is now dealing with the amount of the subsidy required for the carriage of mails under the contract recently entered into by the Postmaster-General, and which contract, according to the statement made this afternoon by the Minister, will be submitted to the House in the course of a day or two. I submit that the honorable member may not traverse that phase of the question at length, as he appears to be doing.

Mr. SPEAKER.—The honorable member for Parramatta is correct in saying that no discussion which anticipates the debate on notice of motion No. 2 of Government business can now take place. The honorable member for Grey can discuss the question of the mail contracts only in so far as it relates to the motion for the appointment of a Select Committee.

Mr. POYNTON.—I was not aware that I had exceeded my right in this respect, and I venture to submit that the whole question of the carriage of mails may be reviewed under cover of this motion. I do not intend, however, to assist the opponents of the proposal in their desire to delay the appointment of the Select Committee. The Orient Company now charge something like £800 for the carriage of a ton of mail matter to England, although they will carry a ton of merchandise at from £1 to £3. As a matter of fact, the charge which they make for the carriage of frozen produce is only about £4 per ton—

Mr. KNOX.—What about the time allowed for the conveyance of the mails?

Mr. POYNTON.—The honorable member will find that for some years very little saving of time has taken place. We have now entered into a contract with the Orient Company for the carriage of our mails from Australia to the United Kingdom at a cost of £120,000 per annum. It is nothing to honorable members of the Opposition that

we should throw away a large portion of that sum of money, and in their opinion it is monstrous that an honorable member sitting in the Ministerial corner should suggest an inquiry into the whole of the circumstances surrounding the carriage of our over-sea mails. When such a proposal is made they urge that it is a socialistic one. Everything depends upon the brand of Socialism put forward. I am satisfied that if the question were put before the public they would indorse my contention, that it is only reasonable for us to inquire whether or not we ought to pay £120,000 a year for this service.

Mr. JOSEPH COOK.—Let us put the question before the public.

Mr. POYNTON.—That is what we desire to do, but, in the first place, there should be a thorough investigation into the facts.

Mr. DUGALD THOMSON.—Then the honorable member cannot trust the Ministry.

Mr. POYNTON.—I wish that the impetuous members of the Opposition would allow me to speak. The passing of this motion will commit the House to nothing.

Mr. MCCAY.—Except expense.

Mr. KING O'MALLEY.—What expense will it involve?

Mr. POYNTON.—Is it not fair that some inquiry should be made? In the course of the next few years we may have to renew the present contract with the Orient Company, and we have no guarantee that they will not then demand £150,000 or £200,000 a year for the service. Of all the propositions calculated to assist the producers of Australia this is one of the most important that has been submitted to the House.

Mr. HUTCHISON.—The secret butter rebates would not have been made had there been an inquiry.

Mr. POYNTON.—Quite so. That in itself is a justification for the appointment of a Select Committee. The Opposition has taken exception to the motion simply because it has been submitted by the honorable member for Barrier.

Mr. JOSEPH COOK.—Who has declared that he will prosecute the inquiry for socialistic purposes.

Mr. POYNTON.—Why should the Opposition fear a fair investigation?

Mr. JOSEPH COOK.—Because it is a chimerical idea.

Mr. POYNTON.—Is the honorable member's brand of individualism so bad that he is afraid of an investigation in this case? The brand of Socialism that I am proud to support is such that I invite its closest investigation.

Mr. HENRY WILLIS.—Will the honorable member agree to there being equal representation on the Select Committee?

Mr. POYNTON.—My only desire is that there shall be an honest inquiry.

Mr. KELLY.—Will the Labour Party agree to a Committee consisting only of honorable members of the Opposition being appointed to inquire into Socialism?

Mr. POYNTON.—Judging from some of the speeches delivered by members of the Opposition, they are not in a fit state to be entrusted with so important a task. They have yet to learn the alphabet of Socialism. That, however, is not the question before the House. We desire an honest investigation in regard to the carriage of our mails.

Mr. KELLY.—Let us have an impartial inquiry.

Mr. POYNTON.—If we had equal representation no doubt the Committee would be equally divided in regard to its findings.

Mr. JOSEPH COOK.—When the motion was before us on a former occasion a suggestion was made as to the *personnel* of the Committee, but it seems to have been ignored.

Mr. POYNTON.—I do not think that it has been ignored. Honorable members know that the position of parties has entirely changed. No one is more anxious than is the honorable member for Barrier to have an honest inquiry.

Mr. HENRY WILLIS.—There are only two parties on this question.

Mr. POYNTON.—Honorable members of the Opposition profess to be against any kind of Socialism, but when a socialistic proposal like a mail contract is brought forward, they call it State control. I have very great pleasure in supporting the motion, though I do not bind myself to vote for the proposed *personnel* of the Committee. I wish for an investigation into the arrangements for the carriage of our mails, because I think that it will show us how we may save, not the few paltry pounds that the inquiry will cost, but thousands of pounds, both in the present and in the future.

Mr. FULLER (Illawarra).—Before the honorable member for Barrier adopted the amendment of the Prime Minister, there was something to be said for his motion as a straight-out socialistic proposal by one whom we all know to be one of the strongest Socialists in the House, if not in Australia. But, in deference to the Prime Minister, who, with his colleagues, are the servile members of the socialistic party which controls from the corner benches the destinies of Australia, he has agreed to throw on one side his socialistic principles. I have heard no reason from him for the appointment of the proposed Select Committee, though I have listened very carefully to what he had to say.

Mr. THOMAS.—The honorable member for Parramatta said that the honorable member for Darling had given very good reasons.

Mr. FULLER.—I am speaking for myself, and I did not hear the honorable member give any solid reason for the appointment of the proposed Select Committee. The Committee, if appointed, is to inquire into the carriage of mails, passengers, and cargo between Australia and the United Kingdom. As has been suggested by the honorable member for North Sydney, we might fairly trust the Government to give us all the information available in regard to the carriage of mails. There is no possibility of a Committee obtaining information in regard to the question from any source which is not available to the Government. So far as passengers are concerned, they may very well be left to look after themselves. Those who travel on the mail boats between Australia and the old country are not the class of persons about whom honorable members like the socialistic member for Barrier concern themselves. What we are all concerned about, however, is the carriage of cargo. Seeing how much Australia is dependent upon her export trade, the carriage of cargo from Australia to England and other countries is a matter of very great concern to her producers. But I ask the honorable member for Barrier how the proposed Select Committee can obtain any information on this subject which could not be obtained from Sussex-street, Sydney, or from Flinders-street, Melbourne. Has he any idea as to the present rates of freight prevailing? I undertake to say that neither he nor six of the other proposed members of the committee, if they were questioned on the subject, would be able to inform the House what rates are

paid now for the carriage of perishable produce from Australia to London. The only two members whom it is proposed to appoint to the committee who have any knowledge in connexion with the subject are the honorable members for Flinders and Macquarie. We can get from the Government all information about the carriage of mails, the passenger traffic does not concern us, and for an investigation into the carriage of cargo, the honorable member for Barrier should at least have procured the services of men who would properly represent the big producing interests of Australia. I object to the appointment of the Committee, because I think that the investigation proposed is not what is needed, and that the proposed *personnel* is unsuitable.

Mr. BATCHELOR (Boothby).—I have wondered during the debate this afternoon whether the Opposition have held a caucus on this subject since it was last discussed, because the acting leader of the Opposition on that occasion pronounced his benediction upon the motion as amended by the Prime Minister.

Mr. WILKS.—He was very foolish, then.

Mr. BATCHELOR.—I hope that the honorable member will not denounce his leader.

Mr. JOSEPH COOK.—This is quite an open question.

Mr. BATCHELOR.—It ought to be an open question.

Mr. DUGALD THOMSON.—The proposed *personnel* of the Committee makes it, not an open, but a settled question.

Mr. KELLY.—Does the honorable member think that the Committee will be impartial?

Mr. BATCHELOR.—I do not know what names have been proposed, though I understand that the original *personnel* has been altered.

Mr. KELLY.—Six of the names proposed are those of members sitting on the corner benches.

Mr. POYNTON.—That is not so.

Mr. BATCHELOR.—From many points of view, such an arrangement would be very sensible, though I do not advocate it in this case. Of course, we all wish to have an absolutely fair representation on the Committee, and at the instigation of the mover of the motion, I now move—

That the words "Mr. McWilliams," line 9, be left out, with a view to insert in lieu thereof the words "Mr. Henry Willis."

The proposal of the honorable member for Barrier, as amended by the Prime Minister, has the entire approval of the acting leader of the Opposition, and the suggested inquiry is one which, on the face of it, should be supported, because, if there is one thing about which the public and Parliament should have full and complete information, it is the conditions under which mails, passengers, and cargo, are conveyed from Australia to the old world. We must necessarily have such information before we can indorse any new contracts with steam-ship companies. We wish to know how the increasing requirements of Australia are being met, and whether there is any truth in the statement which is continually being made by newspaper writers and public men, that Australia is suffering loss by her White Ocean policy. We wish also to know what is the effect on the cost of the mail service of requiring compliance with certain provisions in regard to carriage of perishable produce. We desire to know whether the best machinery available is being used, and why the subsidy has been increased.

Mr. JOSEPH COOK.—I submit that the honorable member may not discuss this question of mail subsidy.

Mr. SPEAKER.—The honorable member for Boothby is not discussing the merits or demerits of the contract for the conveyance of mails entered into by the Commonwealth with the Orient Steam Navigation Company; he is merely expressing his desire to know why the subsidy is being increased. He suggests that the reason could be ascertained by the inquiries of the proposed Committee, and he will be in order in following that line of argument. He may not, however, discuss the merits of the mail contract.

Mr. BATCHELOR.—I have no desire to do that. It was by the investigation of a Royal Commission that the public of Australia were informed of the existence of secret rebates in connexion with the carriage of butter.

Mr. DUGALD THOMSON.—It was because the existence of secret rebates was known that the Butter Commission was appointed.

Mr. BATCHELOR.—The facts may have been known to the honorable member, who is in the inner commercial ring, but they were not public property.

Mr. DUGALD THOMSON.—They were published in the press.

Mr. BATCHELOR.—The people at large were made aware of them by the inquiries of the Commission. In the same way, the Old-Age Pensions Commission has brought to light valuable facts which would probably not have been generally known but for its inquiry. For instance, I understand that in New South Wales one of the banks receives £10,000 per annum for performing work which is carried out in Victoria at a cost of £150. Further, it is stated that the cost of management of the old-age pensions scheme in New South Wales amounts to £20,000 per annum, as compared with £1,800 in Victoria.

Mr. JOHNSON.—What has that to do with the shipping business?

Mr. BATCHELOR.—The question is whether it is desirable to conduct an inquiry into our shipping business.

Mr. DUGALD THOMSON.—The facts mentioned by the honorable member are given in *Coghlan*.

Mr. BATCHELOR. — Some honorable members are omniscient — the honorable member, for instance.

Mr. DUGALD THOMSON. — I am acquainted with the contents of a book which is published throughout Australia.

Mr. BATCHELOR.—Honorable members have not time to wade through the large number of publications which are distributed throughout Australia, and it is desirable that the salient facts in regard to matters of high public importance should be prominently brought before them by means of inquiry. At no time in our history have Commissions done more useful work than recently. Take, for instance, the Lands Commission in New South Wales; that has performed most valuable service. I want to know something more in regard to the carriage of our products from Australia to the Home markets, and the conditions of our mail contracts, and I am not prepared, in the light of the information at present available to us, to trust even the present Government to enter into arrangements with the mail companies.

Mr. JOSEPH COOK.—That means that the honorable member is not prepared to trust his own party.

Mr. BATCHELOR.—I do not think that any section of the House should trust the Government without the fullest information being furnished with regard to their proposals. This is a matter in which the producers of Australia are most vitally inter-



ested. I have been told by a member of a State Government—not a member of the Labour Party—that the practice has arisen of buying up cargo space in some of the ocean steamers, and retailing it to producers at higher rates; in fact, cornering cargo space. If the proposed Committee can show that it is possible to insert a clause in future contracts, which will overcome that difficulty, some good will have been accomplished.

Mr. DUGALD THOMSON. — There is already a clause in existing contracts which is intended to obviate any possibility of undue monopoly of space.

Mr. BATCHELOR.—The proposal for the appointment of the Committee appears to me to be such a reasonable one that I cannot understand the opposition to it, except, of course, such as may come from the honorable and learned member for Corinella, and the honorable member for North Sydney, who were members of the Government which entered into the contract with the Orient Company. Honorable members who oppose the proposal because its original objective was socialistic in character are taking up a most illogical position. The motion does not now bear a socialistic complexion.

Mr. JOSEPH COOK.—It does, so far as the names suggested are concerned.

Mr. BATCHELOR.—I frankly confess that I do not know what "Socialism" means. I have given up all attempts to distinguish between what is socialistic and what is not. The word "socialistic" has become positively meaningless. It has been used to describe proposals of all kinds. I thoroughly agree with the motion, because I am sure that it is intended to secure an absolutely fair inquiry by an impartial tribunal.

Mr. DUGALD THOMSON (North Sydney).—The honorable member for Boothby insinuated that I was opposed to this proposal because I happened to be a member of the late Ministry which completed the contract with the Orient Company. I can assure the honorable member that if a committee were proposed to inquire into the matter, I should not be found opposing it—in fact, I should urge no objection to an inquiry into any action of the late Government. This, however, is an entirely different question. The motion has changed its aspect since it was first introduced. In the first instance, the idea was not that which the honorable member

for Boothby is supporting, but something entirely different. The proposal was—

That a Select Committee of both Houses of Parliament be appointed to make full inquiry as to the advisability of the Federal Government owning and controlling a fleet of steamers for the carriage of mails, passengers, and cargo between Australia and the United Kingdom.

Is there not a straight and clear intent in that motion? Is it not a question as to whether the Commonwealth, in addition to other experiments already made or proposed, should carry its many powers and influences, and its rights of ownership, beyond its own borders, over the seas of the world?

Mr. THOMAS.—That is the idea.

Mr. DUGALD THOMSON.—Honorable members must judge from their respective stand-points whether such an inquiry is necessary. Now an entirely new proposal is made. What I have mentioned is not now the professed intent.

Mr. JOSEPH COOK.—But it is their intent still, all the same.

Mr. DUGALD THOMSON.—It is not said to be the intent now, but there are two ways of arriving at the one end. There is nothing to prevent a committee appointed upon the amended terms proposed by the Prime Minister from recommending that a fleet of steamers shall be acquired and run by the Commonwealth.

Mr. THOMAS.—If there were, I would not sit on the Committee.

Mr. DUGALD THOMSON.—There is the frank admission of the honorable member that he would not sit on the Committee unless it could make such a recommendation.

Mr. HENRY WILLIS. — The Committee could not make such a recommendation unless the evidence justified it.

Mr. DUGALD THOMSON.—But we know that some members of the Committee would enter upon the inquiry with preconceived ideas on the subject.

Mr. TUDOR.—That does not apply to the members of the Labour Party.

Mr. DUGALD THOMSON.—The members of the Labour Party come from various directions. They are supported by certain leagues.

Mr. HUTCHISON.—They are supported by the constituencies, and not by the leagues.

Mr. DUGALD THOMSON.—They have to sign the pledge of certain associations, which have a distinct policy, and I wonder that honorable members should try to evade

the issue. The policy of the associations to which I refer is State ownership of all the means of production, distribution, and exchange.

Mr. CARPENTER.—The honorable member is quite wrong.

Mr. DUGALD THOMSON.—I am not wrong. I do not know what the personal views of the honorable member may be, but that is the policy of the party. That was the policy adopted by the Inter-State conference of the Labour Party.

Mr. BATCHELOR.—The honorable member is absolutely wrong.

Mr. SPEAKER.—Order. I must remind honorable members that interjections of such a character as will disturb the course of an honorable member's speech are absolutely disorderly. It seems impossible for the honorable member to make any progress on account of the repeated interjections to which he is being subjected. Honorable members will have an opportunity to address the House later on, and I would ask them for the present to be content to listen to the honorable member for North Sydney.

Mr. DUGALD THOMSON.—I recognise that it is desirable to maintain order, but I do not object to reasonable and proper interjections, which I am quite ready to answer. It astonishes me that the members of the Labour Party should claim that their party—I do not say every individual member of it—is not in favour of the ownership by the State of all the means of production, distribution, and exchange.

Mr. CARPENTER.—I say that the honorable member is making a deliberate misstatement.

Mr. SPEAKER.—Order. No honorable member must say that another honorable member is making a deliberate misstatement, and I must ask the honorable member to withdraw the remark.

Mr. CARPENTER.—I regret having to withdraw the remark, because the statement of the honorable member is absolutely incorrect, and he ought to know that it is incorrect.

Mr. DUGALD THOMSON.—I certainly do not. I know that the Labour Party, or a section of its members, are endeavouring to run away from it; but I say that they nailed that principle to the mast. I do know that, and the public of Australia know it.

Mr. CARPENTER. — The honorable member does not know it.

Mr. DUGALD THOMSON.—I do know it, and the public of Australia know it. Some members of the Labour Party are endeavouring to pull down the flag which they nailed so dramatically to the mast. But they only attempt to pull it down in this House. Let them go to their Conferences, and state what they are stating here. What did the leader of that party say at the Labour Conference in New South Wales? Did he not state, not only that he was a Socialist, but that he did not know how any man could belong to the labour organizations unless he were a Socialist?

Mr. JOSEPH COOK.—And he said that that must be a *sine qua non*.

Mr. DUGALD THOMSON. — Did he not say that, in his opinion, the objective of the Labour Party was the full socialistic programme which has been defined by honorable members themselves?

Mr. McDONALD.—Hear, hear!

Mr. DUGALD THOMSON.—The honorable member for Kennedy—whom I respect—does not deny it.

Mr. McDONALD.—Why should I?

Mr. DUGALD THOMSON.—But it is being denied by other honorable members, and I have been told that I am wilfully stating what is false.

Mr. BATCHELOR.—It is not true of South Australia.

Mr. DUGALD THOMSON.—When I made that statement, I said that I did not speak of individual members of the party.

Mr. BATCHELOR.—It is not true of any member of the Labour Party in South Australia.

Mr. DUGALD THOMSON.—In view of the statement of the leader of the Labour Party at the Conference to which I have referred, I claim that the socialistic programme is, generally speaking, the policy of that party. Yet I was told, when I made that declaration, that I was making a deliberate misstatement.

Mr. CARPENTER. — Only as regards the Conference.

Mr. DUGALD THOMSON.—I did not repeat my statement in regard to the Conference; but I was under the impression that that was the vote of the Conference.

Mr. CARPENTER.—The honorable member said that it was.

Mr. DUGALD THOMSON.—But I did not repeat it. I said that the socialistic

programme was the policy of the Labour Party generally, if it was not the policy of every member of it. At any rate, it is the policy announced by the leader of that Party in this House. The author of this motion has declared that he would not accept it in its amended form, unless he had an opportunity of carrying out what the resolution, in its original form, proposed. How can he achieve his object? Obviously through the *personnel* of the Committee. What is the proposed constitution of that body? Its constitution is such as to make the result of its inquiry practically a foregone conclusion. I agree with other honorable members who have stated that we are incurring a great deal too much expense in connexion with the appointment of Select Committees and Royal Commissions, and that, in many cases, these bodies are finding out—as was mentioned by the honorable member for Boothby—what was thoroughly well-known and what had been published to the world prior to their creation. The honorable member for Boothby alluded to the discovery by the Old Age Pensions Commission that the cost of the old-age pension system in New South Wales was enormously in excess of that of Victoria. That was well-known previously.

Mr. BATCHELOR.—Not by this House.

Mr. DUGALD THOMSON.—I have heard the right honorable member for Balaclava allude to it. Further, it has been mentioned in the Parliament of New South Wales, and it will be found in the reports of the Statistician of that State. Yet the Commission apparently considers that it has made a discovery. I do not say that Select Committees which have been appointed have not accomplished useful work, but I do claim that if ever there was work for a Government to do it is that which is outlined in the motion under consideration—assuming, of course, that the proposal is legitimate. If, on the other hand, it is intended only as a means by which the purchase of a Commonwealth fleet of steamers may be recommended, that is an entirely different matter. The only opportunity that the House can have of ascertaining whether or not that is the object is by the constitution of the Committee.

Mr. THOMAS.—How many members does the honorable member think that the Opposition ought to have serving upon it?

Mr. DUGALD THOMSON.—I do not say how many should come from any par-

ticular side. As the question at issue seems to be one as between a State-owned fleet of steamers and a privately-owned fleet, there ought to be an equal number of honorable members upon the Committee holding diverse views.

Mr. THOMAS.—The Opposition can have four members upon it, and we will be content with five.

Mr. DUGALD THOMSON.—That would settle the matter.

Mr. THOMAS.—I do not mean five labour members.

Mr. DUGALD THOMSON.—If the opinions of the five members suggested are identical, why appoint a Committee? Why not send in the report? It has been represented that it would assist the Government materially if this Committee could make an inquiry and report. In that connexion, I say that its appointment would be likely to place the Government in a position similar to that which was occupied by the late Ministry. It would probably cause them to delay taking action for a renewal of the contract until they were very close to the period when the existing contract will expire. Under such circumstances, any Government must be, more or less, in the hands of the particular shipping line running the service, and it is highly desirable—I am sure the late Postmaster-General will agree with me—that efforts should be made to secure prices from tenderers at a far earlier date than was the case in connexion with the present contract. The Ministry ought to be settling about that work at once. They ought not to await the report of any Committee. If they do so they will again be placed in the unfortunate position of having to conclude a new contract with greater haste than should be necessary. That is not desirable. I am opposed to the appointment of the Committee, because I think that it will involve an unnecessary expense unless there is some charge attached to the motion. If a charge is attached to it, by all means let it be inquired into, but, if not, the appointment of the proposed body will constitute an unnecessary expense. It is not within the powers of a Committee to ascertain as effectively as a Government what can be done in the way of cheapening the mail subsidy. Such a body cannot open negotiations and ask prices from abroad. That must rest with the Government.

Mr. WILKS.—The Committee could not do so unless its members visited the United Kingdom.

Mr. DUGALD THOMSON.—Even if they visited the United Kingdom they would not have the powers of a Government to inquire from different firms the price at which they would accept the mail contract or to advertise for tenders or to bring firms into competition with one another. They have no such powers. How then could they handle the question better than could the Government? I believe that we should hold the Ministry responsible for entering into contracts for the conveyance of our mails. Let them use the powers which they have for that purpose—powers which are greater than those which any Select Committee can possess—and let them submit their proposals to the House. Of course, I recognise that that is not the object of the motion. The honorable member for Barrier has clearly stated that he desires to see a fleet of steamers owned and controlled by the Commonwealth, and that he hopes to secure his object by the appointment of this Committee. That is an honest declaration.

Mr. THOMAS.—If it were not for that, I should not persevere with the motion.

Mr. DUGALD THOMSON.—That being the object of the honorable member, I may say that I am absolutely opposed to a fleet of steamers being owned by the Commonwealth.

Mr. THOMAS.—Surely the honorable member is not so wedded to his ideas that he objects to an inquiry. I have already stated that the Opposition are at liberty to nominate four members of the Committee out of nine.

Mr. DUGALD THOMSON.—Let the honorable member propose that the Committee shall consist of ten members, and let us have five members from each side of the House upon it.

Mr. THOMAS.—If the honorable member will agree to the motion, the Opposition can nominate five members out of the ten.

Mr. DUGALD THOMSON.—I cannot say anything in regard to that proposal. I must leave it to the acting leader of the Opposition. If the Government had adopted the right attitude in connexion with this matter, they would have said that the inquiry was their business, that they could deal with it more effectively than could any Select Committee, and that they declined to be guided in their action by the opinions of a private member of this House.

Mr. CARPENTER (Fremantle).—I regret having come into conflict with the last speaker. I am not going to apologize to him, more than to say that I regret I should have repeated a misstatement in this House, seeing that upon the first occasion it was made I sought to assure him by interjection that he was mistaken.

Mr. DUGALD THOMSON.—Will the honorable member say when that occurred, so that I may refer to it in *Hansard*.

Mr. CARPENTER.—It occurred last week—I forget the exact occasion. However, I have no wish to waste time by referring to the matter at length. I do not think that the honorable member would wilfully mislead the House. I believe that he was sincerely mistaken, and that his mistake arose from not having acquainted himself with the facts. In order that there may be no further repetition of the misstatement, or of the ill-feeling which may be aroused by it, I wish to quote from the proceedings of the recent Inter-State Labour Conference, to which the honorable member referred. He stated that that Conference decided in favour of nationalizing all the means of production, distribution, and exchange.

Mr. JOSEPH COOK.—Nobody said that.

Mr. CARPENTER.—The honorable member quoted that as the decision of the recent Inter-State Labour Conference, representing the Federal labour movement in Australia. It was to that statement I objected. I can easily understand how the honorable member has fallen into error. There was before that Conference a proposal from Queensland to make that the objective of the party. The exact wording of that proposal was as follows:—

The securing of the full results of their industry to the wealth producers by the collective ownership of the means of production, distribution, and exchange to be attained through the extension of the industrial and economic functions of the State and local governing bodies.

That proposal was defeated by a large majority.

Mr. DUGALD THOMSON.—Will the honorable member not admit that the amendment which was proposed was stated to mean the same thing?

Mr. CARPENTER.—I intend to quote the amendment, which was adopted by a large majority.

Mr. DUGALD THOMSON.—It was stated that the amendment meant the same thing as the motion.

Mr. G. B. EDWARDS.—Is this question before the House?

Mr. CARPENTER.—I think it is. I am going to quote the amendment that was agreed to, so that the honorable member for North Sydney may know what the Conference actually adopted. Having done that, I shall pass on to another phase of the question. The objective decided upon at the Conference was as follows:—

(a) The cultivation of an Australian sentiment, based upon the maintenance of racial purity, and the development in Australia of an enlightened and self-reliant community.

(b) The securing of the full results of their industry to all producers by the collective ownership of monopolies—

Mr. JOSEPH COOK.—And the honorable member now declares that all production is a monopoly.

Mr. CARPENTER.—I have not said anything so foolish, and I do not think that the honorable member would make such a declaration.

Mr. JOSEPH COOK.—One of the honorable member's colleagues said, the other day, that all production was a monopoly.

Mr. CARPENTER.—The words I have quoted are vastly different from those which the honorable member for North Sydney put before the House.

Mr. DUGALD THOMSON. — It was said that the amendment—

Mr. SPEAKER.—Order! An incidental reference to the fact that this proposal is, or is not, in accordance with a certain resolution is perfectly in order, but a detailed discussion of the proceedings of a certain Conference—which, so far as I know, had nothing whatever to do with the question of the mail contracts—is not. I have allowed the honorable member for Fremantle considerable latitude on account of the statements made by the Opposition; but ask him now to refrain from dealing further with the resolutions of the Conference.

Mr. CARPENTER.—I should have refrained some time ago from dealing further with this phase of the question, but for the interjections of the Opposition. I had already expressed my intention to pass on to other considerations when I had quoted, for the benefit of the honorable member for North Sydney, the wording of the objective adopted by the Labour Conference.

Mr. SPEAKER.—I thought the honorable member had read it. If he has not concluded the quotation, he may do so.

Mr. CARPENTER.—Paragraph *b* of the objective continues—

and the extension of the industrial and economic functions of the State and municipality.

I hope that, after this explanation, the honorable member for North Sydney will not be guilty of repeating the statement made by him on two occasions in the House, that a certain motion was passed by the Labour Conference, when, as a matter of fact, it was rejected by a very large majority. I was somewhat surprised at the objection raised a few minutes ago by the honorable and learned member for Illawarra with reference to this motion. He said, rightly enough, that the question of the carriage of cargo between Australia and Great Britain might, and possibly would be, of greater importance to the people of Australia than would that of the carriage of mails and passengers. Although I am not going to lose sight of the importance of the question in so far as it relates to the carrying of mails or passengers, I wish to emphasize the necessity for some such inquiry as suggested, in the interests, not only of our producers, but of all others concerned with the carriage of cargo between Australia and Great Britain. The honorable and learned member for Illawarra has stated that it would be impossible for a Select Committee to obtain information as to the terms and conditions upon which oversea cargo is carried. If that be so—if it be difficult to ascertain from the ship-owners, the brokers, or the merchants of Australia what these terms and conditions are—that fact in itself should make us the more determined to have an investigation.

Mr. G. B. EDWARDS.—The honorable and learned member for Illawarra said that the Select Committee as proposed to be constituted could not obtain the information.

Mr. CARPENTER.—That is so, and I repeat that if the statement be correct it ought to make us the more determined to appoint a Select Committee to secure the information. I am aware that there is a lack of knowledge on the part of the general public as to the manner in which shipping companies conduct their business. We have all sorts of rumours as to rings and combines, but the shipping companies as a rule make such a close secret of the facts relating to their business that the people really do not know how they are being treated with regard to the carriage

of goods to and from Australia. I wish to quote from a report recently presented to the Governor of Western Australia by a Royal Commission on Ocean Freights, which was appointed by the Government of that State.

Mr. DUGALD THOMSON.—Can we not take the evidence of that Commission, instead of having a repetition of their inquiry?

Mr. CARPENTER.—What this Commission has done for Western Australia should be done by us for the whole Commonwealth. It is remarkable that the Commission mentioned as one of the possible solutions of existing evils the ownership and control of a line of steamers by the Government of the Commonwealth. The situation has become so bad in Western Australia that traders in that State appear to be almost at their wits' ends to know what to do in order to secure the carriage of their freights at a reasonable rate. Among the recommendations made by the Commission was the following:—

Whilst your Commissioners would welcome the establishment of an Australian Mercantile Fleet under Commonwealth control for the transport of mails and cargo between Australia and the United Kingdom, capable of being commissioned in time of war, we believe this ideal is not within measurable distance at present.

If that Commission, after taking evidence bearing on the shipping trade of only one State, was convinced that the owning and control of a fleet of mercantile steamers by the Commonwealth would prove a solution of the existing difficulty, surely, out of respect to that Commission and to the people whom it represented, we have a right to ask that an investigation shall be made on behalf of the Commonwealth. If time permitted I could quote instances of oppression on the part of shipping combines—or the shipping ring, as it is called—that would open the eyes of honorable members. I shall not say that that which applies to Western Australia applies to the whole of the Commonwealth, but it cannot be gainsaid that the shipping trade between Australia and Great Britain is in the hands of a ring or combine of shipping brokers—not of ship-owners—who absolutely fix rates at their own sweet will.

Mr. DUGALD THOMSON.—That is known.

Mr. CARPENTER.—One result of that system is that a cargo can be brought from America *via* Liverpool to Australia below the freight charged on a cargo direct from England to Australia.

Mr. KELLY.—There is no need for the appointment of a Select Committee to ascertain that fact.

Mr. CARPENTER. — The proposed Select Committee should do for the whole of Australia what this Commission did for Western Australia.

Mr. SKENE.—Does the honorable member mean to say that, after transhipment at Liverpool, a cargo from America to Australia costs less than does a cargo from England to Australia direct?

Mr. CARPENTER.—I repeat that freights for the carriage of cargo from America and Germany to Australia are much lower than are those for the carriage of cargo from England to Australia, and that in consequence of this our trade with Great Britain is suffering. The people of America can send their goods from New York to Liverpool, and thence to Australia, at a lower rate than that at which goods can be sent directly from England to Australia.

Mr. DUGALD THOMSON. — That is not quite correct.

Mr. CARPENTER.—In view of these facts, it is time that an inquiry was made in the interests not only of the producers, but of the consumers of Australia. I need not remind honorable members that business men—merchants and shopkeepers who have to pay these additional freights—pass on the increased charges to the consumer; they actually make a profit on the higher freight they pay. The consumer, therefore, is doubly hit every time he makes a purchase. When the Commonwealth took over the Postal Department, we discovered somewhat to the surprise of many people, that we had been paying a very large annual subsidy to the mail steamers for the carriage, not only of postal matter, but of produce. There was considerable friction when the Government attempted to differentiate between a contract for the conveyance of mails and one which also included provision for large cold storage space on board the mail steamers. I am not going to say that, in any contract we may make, we should not pay due regard to the necessity of securing cool storage on mail steamers, and every possible facility for the carriage of our produce to England; but I do say that, as a Commonwealth Parliament, we have no right, under the guise of entering into a mail contract, to pay a large sum for something which is really no part of such a contract. Let us, if honorable members please, make an agreement

with the shipping companies that the mail steamers shall be provided with cool chambers, but let us also know what is the exact cost of carrying our mail matter to and from England.

Mr. KELLY.—I rise to a point of order. The honorable member has again referred to the oversea mail contract which is to be dealt with at a later stage, and two honorable members have already been ruled out of order for doing so.

Mr. SPEAKER.—I am not aware that I have ruled any honorable member out of order for anything he has said. When honorable members have proposed to discuss the merits or demerits of the Orient Company's contract, I have indicated that they would not be in order in doing so; but so long as they simply point out the various phases of the contract with regard to which, in their opinion, it is desirable to have the further information to be obtained by the proposed Select Committee, they will not transgress the Standing Orders.

Mr. CARPENTER. — I have not referred to the existing contract, and do not intend to do so; but I hope to convince honorable members that, in entering into any future contract, we should know specifically what is paid for the carriage of our mails, and what is the additional cost which the requirement as to cool storage for the carriage of our produce involves.

Mr. SPEAKER.—The time allotted for the discussion of orders of the day of general business has expired. Is it the honorable member's desire to continue his remarks at a later date?

Mr. CARPENTER.—It is, sir.

Mr. SPEAKER.—Is it the pleasure of the House that the honorable member have leave to continue his remarks at a later date?

HONORABLE MEMBERS.—Hear, hear.  
Leave granted; debate adjourned.

### COMMONWEALTH TREASURY NOTES.

Mr. CULPIN (Brisbane).—I move—

That, in the opinion of this House, it is desirable—

1. That Commonwealth Treasury notes should be issued, on the lines of the Treasury notes issued by the State of Queensland.
2. That a reserve fund should be established for payment of the notes on demand; provision for similar payment being now in force in the Queensland Treasury.

3. That instead of such issue being put into circulation as in Queensland by being lent to financial institutions at the rate of 2 per cent. per annum, the proposed notes shall be issued on a population basis to the several State Treasurers, and each Treasurer shall credit the amount received as on account of the properties transferred to the Commonwealth.

4. That 4 per cent. of the issue shall be withdrawn from circulation each year and cancelled, and that a sufficient sum each year shall be granted for the purpose of such cancellation.

I have been following this question ever since Queensland issued Treasury notes in 1893, and, in bringing forward my proposal, I am fully aware of the difficulties of the subject and its importance to the Commonwealth. The scheme has naturally been talked about. It has been discussed as if my object were merely to provide funds for the taking over of the transferred properties, and thereby the liquidating of the debts of the States; but that is incidental only. The scheme aims, in the first place, at establishing a Commonwealth issue of paper money. Mr. Coghlan, at page 813 of the latest edition of his Australian statistics, speaking of the Australian note circulation, says that if the notes were guaranteed by the Commonwealth, and made a legal tender, their probable issue might be set down as £6,750,000, the present note circulation of the Commonwealth being only £3,800,000. The conference of bankers held in Sydney in 1895 made a proposal of a similar nature. If the Commonwealth chooses, it can set going £3,000,000 more of currency, which will be as good as gold. My proposal was shaped in the form in which I now submit it, after I had read the proposal of the Treasurer, made at the Hobart Conference, and referred to in the Budget debate last session. He is reported, at page 6145 of Vol. XXII. of *Hansard*, to have then said—

We ought never to forget that the Commonwealth and the States are composed of the same people, and that, therefore, if we have to pay any State a sum of money for buildings, not only has that State to contribute towards the payment for its own buildings, but that also it has to pay *per capita* for buildings taken over in every other State. I cannot look upon it as a sound business transaction, that we should borrow a large sum of money in order to pay for the buildings transferred from the States to the Commonwealth, in order to distribute that money amongst the States, thus placing upon them the obligation to pay interest, and to repay the capital borrowed within

a certain time. It would mean that we should be adding largely to the public debt of the Commonwealth, and doing no good to the States, either individually or collectively.

Then, at page 6146, he is reported to have said—

The conclusion at which I arrived was that, instead of borrowing immense sums of money, the same result would be obtained by debiting and crediting the amounts to be paid and the amounts to be received by each State.

As a result of debiting and crediting, £904,967 is due to Queensland, South Australia, and Western Australia from New South Wales, Victoria, and Tasmania. The Hobart scheme proposes to pay this money to the three States named, and to raise it from the other three States by annual payments of £40,722, extending over a period of forty-three years.

Sir JOHN FORREST.—That was not adopted at Hobart.

Mr. CULPIN.—That is the proposal printed in the report of the Hobart Conference.

Sir JOHN FORREST.—That was the proposal I put forward at the Melbourne Conference.

Mr. CULPIN.—I accept the right honorable gentleman's correction. I think that the proposal was first put forward by him. That proposal, however, makes no provision for the paying off of bond-holders. My proposal, on the other hand, is this: That the three debtor States shall pay to the three creditor States, £36,290 annually for a period of twenty-five years. It will therefore be seen that I would make the payments smaller, and the period shorter. Under this arrangement, Queensland will get £321,278; South Australia, £358,721; and Western Australia, £224,948, and the money, if used as I propose that it shall be used, will wipe out more than £1,000,000 of the indebtedness of those States. This, in brief, is my scheme. I suggest the issue of Treasury notes to a value of, say, £500,000, followed in three or more months by a second similar issue, and then by two other issues, until £2,000,000 of paper currency have been issued. These notes are to be handed on a population basis to the Treasurers of the several States, and credited to the Commonwealth as being paid on account of the transferred properties, which are estimated to have a total value of £9,000,000.

Mr. CARPENTER.—Would the notes be legal tender?

Mr. CULPIN.—Certainly. The States would use the notes at the earliest possible date, and, with the gold which they would thus have in hand—because the notes would take its place—they are to buy in the cheapest market some of their stock for cancellation. Three per cent. stock is to be bought on the London market, according to the *Times*, at £87, and £2,000,000 would purchase about £2,300,000 worth of such stock, on which the interest would amount to £69,000 annually.

Sir JOHN FORREST.—Will the notes be convertible into gold on demand?

Mr. CULPIN.—My motion sets forth that the note shall be payable on demand, and shall be legal tender. Thus £69,000 will be at once saved to the States. The cancellation of notes will go on for twenty-five years, by which time they will all have disappeared, and new issues to buy further bonds, or for the carrying out of public works, will be made. Now for the balances to be paid by the three debtor to the three creditor States. There can be issued to the three creditor States, in a suitable number of issues, notes which the three debtor States will redeem—New South Wales to the extent of £10,947 per annum; Victoria to the extent of £20,906 per annum; and Tasmania to the extent of £4,345 per annum. This in twenty-five years will cancel the indebtedness of £904,967, and Queensland will have received £321,378; South Australia, £358,721; and Western Australia, £224,948; while the gold which the notes will enable them to use will allow them to buy back £1,042,500 worth of debentures, and the interest saved on the transaction will be £31,275. The amount of debentures redeemed by these notes, and neither converted nor re-issued, will be £3,333,333, with a saving of £100,000 in interest, while the note circulation will amount to only £2,904,967. Thus the States which have paid more than their due share into the Federal partnership will be quite fairly, but only fairly, treated. Treasury notes in Queensland cost on the average £2,000 per annum for expenses of issue and management; but the Commonwealth, after the first year or two, could issue the notes which I propose shall be issued, for an expenditure of £5,000. When the States buy back their bonds and debentures, they will effect not only a saving in interest, but a saving in the expense of management now



paid to the Bank of England, or some other financial institution. To show the need for something of this kind being done, I wish to quote from the speech delivered by the right honorable member for Balaclava, on 10th June, 1902, when introducing his Loan Bill. He is reported, at page 13431, of Vol. X. of *Hansard*, to have said—

When certain Departments were transferred, works were being proceeded with in most of the States, and were being paid for out of loan funds. . . . In the meantime, I am financing any very urgent works out of the Treasurer's advance vote.

Further on, he says—at page 13433—

This expenditure is to be charged against all the States on a population basis, and therefore we could not allow the works to remain in abeyance in the poorer States while proceeding with those required in the States which are in a better position

While on page 13434, he is reported to have said—

If we adopt the practice which has been suggested of providing these large sums from revenue, I am perfectly certain that we shall leave the States in a difficult position. . . . In view of their present condition, it would be exceedingly unwise for us to take any such step.

These statements did not induce this House to pass the Loan Bill; but if they were justifiable then, they are justifiable now, for nothing has been done to remedy the sad position of affairs which he pictured. All the States, except perhaps Western Australia, have paid in interest more than the sum total of their borrowings, and yet they all owe, and are likely to continue to owe, the full amount borrowed. I come now to the bedrock of my motion—the Commonwealth Treasury note issue. In dealing with this subject, I shall not quote academic authorities for or against what I advocate. I shall rely upon accomplished facts, and the attempts to float loans which have failed, to show that there is good reason for my proposal. To put before the House the main facts on which I rely, I must go back to the financial crash of 1893. The financial institutions of Australia, with three notable exceptions—the Bank of New South Wales, the Bank of Australasia, and the Union Bank—were then largely assisted by the Governments of the day in rallying from that disaster. I shall not burden the House with an account of what was done in that direction in the five southern States, but shall refer only to the case of Queensland, where prompt and effective measures were adopted for relieving immediate difficulties. The steps

taken were remarkable and bold, but not original. The Government of Queensland, by their Treasury notes scheme, have demonstrated to Australia that it is perfectly right and proper for the State to issue a paper currency. The Administration of the day were anxious to avert the threatened collapse and restore public confidence. It was decided that public faith in paper money must be restored, and therefore the Government commenced their task by taking the issue of paper money into their own hands. It had been proved that such a public convenience as paper money ought not to be dependent upon the temporary financial condition of eight or ten banks, and the Government doubtless realized that, inasmuch as the Bank of England issued all the bank notes required in England, the State Treasury might appropriately fill the gap in Queensland. Arrangements were made for a Government note issue. The bank note duty of 4 per cent. was abolished, and a prohibitive duty of 10 per cent. was imposed on all banks wishing to continue their own note issues. Three Bills were promptly introduced by the Government, and became law, viz., the Treasury Notes Advance Act, the Treasury Notes Act, and the Treasury Bills Act. Under the first measure, any bank which had stopped payment, or its manager or liquidator, could apply for an advance of Treasury notes to redeem from public circulation its own discredited notes, provision being made for ultimate repayment to the Queensland Treasurer. The Treasury Notes Act provided that the Treasurer should hold gold to the amount of one-fourth of the value of any notes issued, and should also issue Treasury Bills signed and ready for sale. The Bills were to be vested in trustees until required. Section 3 of the Treasury Notes Act reads as follows:—

All such Treasury notes made, issued, and circulated in pursuance of this Act shall be issued from and bear date at the Colonial Treasury of Queensland, and shall be payable in specie on demand at the Colonial Treasury.

Treasury notes made, issued, or re-issued under the authority of this Act shall be everywhere in Queensland good legal tender of money, by all persons other than the Colonial Treasurer, at the Colonial Treasury, to the amount therein expressed to be payable.

Section 4 provides—

The Governor in Council may, from time to time, apply any sum or sums of money to arise from any such Treasury notes to any service

authorized to be defrayed out of the Consolidated Revenue of the Colony, or out of loans authorized by Parliament.

The Act also provided for departmental regulations being formulated whereby notes would be handed out to the banks requiring them, which had to deposit with the Treasurer gold representing one-third of the value of the notes issued, and to pay 2 per cent. interest on the remaining two-thirds of the value. The Treasury Bills Act authorized the issue of Treasury bills, to be vested in trustees, for the same amount as the proposed issue of notes. These bills have never been required, are still intact, and can be utilized to raise money if required. At the end of the first year's work the Auditor-General, in his report on the Treasury notes, said that £240,000 of the reserved gold could be placed out at interest. This advice was unheeded by the Queensland Government. The next year the Auditor-General reported that £250,000 of gold was unnecessarily idle. He also said that he realized that the Act was not intended to produce revenue. The Queensland Act was such a success that the money rolled in all the time, and the first impulse of the Queensland Government was to lend the surplus money to the banks. The accumulation of this gold had been brought about without expenditure on the part of the Government, excepting only the cost of the notes and office expenses, amounting to about £2,000 per annum. The unused notes of the banks were bought by the Government and faced with the Treasurer's promise to pay, and for several months Queenslanders endured that makeshift. I propose to quote some particulars from the report of the Auditor-General of 1903 as to the revenue produced by the Treasury note system. The interest on Treasury notes, amounting to £388,833, lent to the banks at 2 per cent., yielded £7,776 13s.; the interest on Treasury notes gold, amounting to £50,000, lent to the Royal Bank at 3 per cent., yielded £1,500; the interest on Treasury notes gold, amounting to £100,000, lent to the Bank of New South Wales for six months at 2½ per cent., yielded £1,250; the interest on Treasury notes gold, amounting to £75,000, lent to the Bank of New South Wales for another six months at 2½ per cent., produced £937 10s.; and interest on Government debentures, amounting to £300,400, at 3½ per cent., yielded

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£10,514; the total being £21,978 3s. 4d. In addition to these sums, there was £40,000 at current account, which produced no interest, and the reserve money, amounting to £336,208. The next year an addition was made to the Government debentures bought with Treasury notes, and the amount increased to £386,522. With the exception of the £388,833 of notes lent to banks at 2 per cent. interest, there has been sufficient money held to pay off every note with gold. The Government have very properly invested some of their surplus cash, and £40,000 has been generously placed on current account without interest. *Coghlan* says that in 1893 the average bank note circulation in Australia was £3,912,062, the Queensland share of this amount being £458,236. At present the note circulation of Australia amounts to £3,844,866, of which Queensland is credited with £620,000. It would appear from this that Treasury notes are more acceptable to Queenslanders than are bank notes to the people of the other States. The bank note duty realizes in Victoria £18,434, in New South Wales £28,743, in South Australia £8,055, in Western Australia £7,852, and in Tasmania £3,262, the total for the five States being £66,346. The revenue derived by Queensland from the Treasury note issue is equal to one-third of the total amount realized by the bank note tax in the other States, whereas the population of Queensland amounts to only one-eighth of that of the Commonwealth. I should like to say a few words with regard to the different note systems. The Bank of England practically has a monopoly of the note issue of Great Britain, and all the joint stock banks must go to that institution for their paper currency. This phase of the question is overlooked by bank advocates, who wish to retain paper money as a bank privilege. The Queensland Government have adopted the position of the Bank of England as an issuer of notes. In the United States the practice adopted is the reverse of that followed in England. In the United States a bank which deposits Government bonds can issue notes of an equal value. This is a case to which the oft-quoted text may be applied—

For unto every one that hath shall be given, and he shall have abundance; but from him that hath not shall be taken away even that which he hath.

The banks in the United States having interest-bearing bonds are privileged to issue

notes, but the borrower who has not the wherewithal to carry on is often stripped and turned out a beggar. It will be necessary to explain a simple phrase used by bankers, and applied to a great instrument of profit making. I refer to "till money." This does not refer to money in the till, but to that great power which banks of issue exercise to create money on paper, namely, credit, when they can use it to advantage. The United States banks and the English joint stock banks have to pay for their "till money." The Bankers' Conference held in Sydney in 1895, at which the bankers of Victoria and New South Wales were represented, proposed to amend the Australian note issue, to obtain Government indorsement for their notes, and to pay the Government a better price for the privilege. They asked that £2,250,000 worth of notes should be ranked as notes for circulation, and a further £2,250,000 worth should be given to the banks to hold as "till money." This would have given the banks notes to the value of £4,500,000. So that the bankers themselves practically admit that we want more note issue. Every bank in England, except a remnant of privileged note issuers, wanting any form of till money can only get it by paying for it at Threadneedle-street. Morton Breckenridge, the champion of the Canadian banks, says in Volume X. of the publications of the American Economic Association, page 402—

How great is the saving of interest on the hard cash which, without the ability to use unissued notes, the banks would be obliged to hold as till money, is not particularly difficult to calculate.

On the following page he says—

If the banks were deprived of this advantage, it is safe to say that they would be obliged to withdraw some \$10,000,000 to \$15,000,000 now employed in the trade and industry of Canada.

I quote these passages to show what till money means. Now, for the other side of the shield. When Treasury notes were first issued in Queensland, the three strong banks I have named, hoped, by refusing to touch State notes, that they would cause the scheme to fail. In doing so they deliberately deprived themselves of till money, or its substitute, Treasury notes, at 2 per cent., instead of their own bank notes at 4 per cent., and till money gratis. There is no till money in Queensland, but the bank-note rate was 4 per cent., and the banks were allowed to use an equal number of notes as till money upon which

they paid no duty. Now, in Queensland, every note has to be accounted for, either in gold, or by paying 2 per cent. interest upon it. I take it that that rate of interest, which is an extremely low one, is equivalent to giving the banks till money. These banks imported gold, and for twelve years they have not taken any State notes at 2 per cent.

Mr. BAMFORD.—What are the names of those three banks?

Mr. CULPIN.—I refer to the Bank of New South Wales, the Bank of Australasia, and the Union Bank. A champion of these banks, writing to the *Brisbane Courier* in April, 1903, complained that for every Treasury note they used, £2 in gold had to be paid. That seems to be a very curious statement, but from their point of view it is actually correct. They had been using a promise to pay £1 on demand, so long that to do so they considered was their privileged right, and when they redeemed their promise by paying £1, and then paid £1 for a Treasury note, their innocent champion said that they were paying £2 for a Treasury £1 note. The Canadian system was referred to by our first Treasurer, the right honorable member for Balaclava, in introducing the Loan Bill, and last session my leader intimated that he favoured proposals in that direction. "Confiscation" was the epithet applied to his proposal. Morton Breckenridge speaks of the Canadian Dominion notes held by banks as the 40 per cent. reserve in the following terms:—

The Government have forced from the banks a permanent loan without interest of from \$10,000,000 to \$14,000,000.

Again, he says—

The justice of a forced loan for 16 per cent. to 22 per cent. of the entire banking capital of the Dominion need not be examined.

It is evident that the banks' champion in Canada is at one with some honorable members opposite upon that question. The Dominion notes are backed by 15 per cent. of gold, and 10 per cent. of Dominion debentures guaranteed by the British Government. These notes throughout Canada are treated as the equivalent of gold just as Bank of England notes are in England. Morton Breckenridge gives equal value to them in the following passage which will be found upon page 430 of Vol. X of a publication by the American Economic Association—

For the four and a half years preceding 1st July, 1894, the amount of specie and Dominion

notes held by all the Chartered banks at the end of each calendar month has averaged 9'11 per cent. of their total liabilities on corresponding days. The lowest percentage shown by the Bank statement was 8; the highest 10'08 per cent.

This, it will be observed, is quite as high as the proportion of money kept on hand by the English Joint Stock Banks, although for most of them, gold, and its practical equivalent, Bank of England notes, are the only till money, and form part of their business machinery.

I should like honorable members to notice that gold and Bank of England notes, as well as specie and Dominion notes, are phrased together as of equal value. Again, banking return forms give one entry for specie and Dominion notes, and one sum only is quoted embracing both denominations. There is no tax on the note issue in Canada. A bank holding £40 of Dominion notes can issue £100 of its own notes. Honorable members opposite call that "confiscation." What I wish to see is the whole of the £100 issued by the Commonwealth. The amount of gold held in Queensland shows that a one-fourth gold reserve is unnecessarily high. I would allow the reserve to be one-fifth, which is 33'3 per cent. higher than the reserve gold held for Dominion notes by the Canadian Government. I may add that in Canada there is what is called a bank redemption guarantee fund of 2½ per cent. for two years, making 5 per cent. upon the amount of bank notes issued. Yet the Maritime Bank failed in 1887, and its dollar notes sold for 40 cents. This is not likely to occur to Dominion notes, Queensland notes, or to our notes when we get them. If the privilege of using our own notes is attached to the scheme, so that our Treasurer can pay them away, we can arrange a reserve without difficulty. We handle £11,000,000 each year, and 1 per cent. of that amount, replaced by a portion of our note issue, will give us our reserve. Morton Breckenridge's statement in reference to banks applies to us. He says—

The only way for a bank to get its notes in circulation is to pay them over its counter in the ordinary course of business.

The Panama Canal trouble, which was referred to last week in the *Sydney Morning Herald*, is analogous to the position which we have here. The railway combine, realizing that the canal imperils their supremacy, by buying over the engineers, and slandering the canal, are doing their best to block its success. We have to recollect also that all practical men in finance are

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trained, employed, or interested in financial institutions, and we must expect difficulty in getting our side advocated by other than laymen like myself. Bank notes are used by bankers in the place of specie money, at the risk of the people, for the bankers' benefit. If paper money is used by the people's Government, the risk borne carries a corresponding advantage. The Government reap the profit on behalf of the people. That the Commonwealth wants money is shown by the attempts which have been made to get a loan sanctioned. I have shown that, according to *Coghlan*, over £3,000,000 more of note issue can be used if an absolutely reliable security is offered. Further, I have pointed out that in Queensland, where good, indefeasible paper alone is used, the profit therefrom to the Government—the profit from that one-eighth of Australia—is one-third as much as the other seven-eighths get from their paper money. The redemption of notes is a necessary feature of my scheme. A promise to pay is all the better if after one, ten, or fifteen, or twenty years the amount involved must be paid.

Mr. MAUGER.—What is the advantage of that?

Mr. CULPIN.—The honorable member was not present during the delivery of the first portion of my address, otherwise he would realize what a saving in interest would be effected by the adoption of my scheme. When we borrow we neglect to pay back our loans, but we must pay our interest, and this periodic cancellation is only equivalent in burden to that which we now pay in interest alone, although every penny we spent in that way would be a net reduction of our debt. The low price which our stock realizes in London would be a cause for rejoicing—not for weeping. Our transactions in stock for the future must be in buying—not in selling. I cannot conclude my remarks without quoting the words used by Mr. Justice O'Connor in introducing the Loan Bill in the Senate. They will be found recorded in *Hansard*, page 2691. of the first session of the Commonwealth Parliament. They read as follows:—

The best security we can possibly have is the security of the Government.

I know that when he made that statement he was, as we used to say in the old country, "putting the best side to London." But this House, I trust, will endorse what he said by insisting that for an issue of

paper currency the best security we can have is the guarantee of an industrious and prosperous people, as represented by their chosen Government.

Debate (on motion by Sir JOHN FORREST), adjourned.

### EXPORT OF AUSTRALIAN HARVESTERS.

Mr. ROBINSON (Wannon).—I move—

That a return be laid on the table of the House showing the number of harvesters of Australian manufacture exported from Australia from 1st January, 1901, to this date; such return to specify the destination of such exports.

The return, if granted, will be of some statistical value, not only to honorable members, but the public generally.

Mr. FRAZER.—What about the number of harvesters imported into Australia?

Mr. ROBINSON.—I am informed that an honorable member moved some time ago for a return showing the number of harvesters imported into the Commonwealth, so that all that I now wish to learn is how many harvesters, manufactured in Australia, are being exported. If the motion is not to be opposed, it is unnecessary for me to speak at any length.

Sir JOHN FORREST.—As far as possible, we shall furnish the return for which the honorable and learned member moves.

Mr. ROBINSON.—That is all I desire.

Mr. CONROY (Werriwa).—I think it is highly desirable that this return should be furnished. At the present time, there is a proposal before the Parliament to expend a sum of £4,000 to encourage the manufacture of reapers and binders in Australia.

Mr. SPEAKER.—That question is not now before the House.

Mr. CONROY.—I think I am entitled to show that if this return be furnished, it may prove that the industry is well established, and that it is unnecessary to amend the Tariff in a way that has been suggested.

Mr. SPEAKER.—I have no option but to rule that a debate which anticipates the decision of another matter on the business-paper is out of order. If the honorable and learned member can make a speech on this question which will not anticipate a later debate, he will be perfectly in order.

Mr. CONROY.—In view of the discussion that lately took place in this House as to the value of harvesters generally, and

the action of the Minister of Trade and Customs in increasing the duty on imported machines, it is highly desirable that we should know how many of these machines are actually being made in Australia and exported.

Mr. HUTCHISON.—And why we should not send out more?

Mr. CONROY.—I have no objection to these exports being increased. If the industry can stand on its own basis, it is deserving of our praise, but I should not ask the people to contribute to it any more than I should expect the people of Australia to contribute to any industry in which I was engaged. I should like to know how many men are employed in manufacturing these machines, and of the conditions generally under which the industry is being carried on.

Mr. SPENCE.—The Tariff Commission will report on that phase of the question.

Mr. CONROY.—In view of certain evidence given before the Tariff Commission by a gentleman whose name has been mentioned in the House, I am afraid that such information will not be forthcoming. The witness in question made a statement that, in the Argentine Republic, harvesters were indented at £60.

Mr. SPEAKER.—I regret to have to again interrupt the honorable and learned member, but I must remind him that the question is simply whether or not a certain return shall be laid on the table of the House, and that that question alone can be discussed.

Mr. CONROY.—Am I not at liberty to give reasons for asking for such a return?

Mr. SPEAKER.—The honorable and learned member is perfectly entitled to say why a return should or should not be produced; but he is not at liberty to discuss certain evidence which he asserts has been given before the Tariff Commission. That is a matter entirely foreign to the production of this return.

Mr. CONROY.—Do you rule, Mr. Speaker, that no evidence that may be brought forward in regard to harvesters can now be discussed?

Mr. SPEAKER.—I do not rule anything of the kind. I have ruled that the honorable and learned member may discuss any matter showing the desirableness or otherwise of this return being produced; but if he proceeds to discuss any subject other than one relating to the production of the return, he will be out of order.

Mr. CONROY.—My desire is that the return shall be laid on the table of the House, in order to contradict certain evidence that has been taken before another tribunal. Evidence was submitted to the Tariff Commission to the effect that harvesters were indented in the Argentine at a given price, and the return will show whether that statement was true or not.

Mr. SPEAKER.—It seems to me that there is nothing whatever in the motion as to the price of harvesters, and nothing in it to show that the return, if produced, would indicate whether the price mentioned by the honorable and learned member was correct or incorrect.

Mr. CONROY.—To put myself in order, I move—

That the following words be added—"the price of the harvesters, the places to which they were exported, and the firms by whom they were exported."

This amendment will give us an opportunity to discuss the general question. From a report lately presented to the House it would appear that one of the manufacturers of these machines made an untrue statement when before the Tariff Commission. While it was one of those statements to which the people have probably become accustomed, the fact remains that the Minister of Trade and Customs considered it of such importance that he acted upon it. The Minister took action on the oath of this man that he had positive evidence that £60 was charged for these harvesters in the Argentine, and representations were made to the British Consul there, with the result that it was found that they were entered at £41 each. The Tariff Commission was therefore deliberately misled by the person who gave that evidence. This gentleman has been moving in other directions, and it is highly desirable that steps should be taken to frustrate his efforts. Do the Government offer any opposition to the motion?

Mr. DEAKIN.—We are prepared to accept the terms of the motion, as submitted by the honorable and learned member for Wannon, and quite apart from the amendment moved by the honorable and learned member for Werriwa.

Mr. CONROY.—If that be so, I shall not press my amendment.

Amendment, by leave, withdrawn.

Amendment (by Mr. MAUGER) proposed—

That the following words be added—"also the number of harvesters imported into the Commonwealth from 1st January, 1901, to this date."

Mr. HUTCHISON (Hindmarsh).—The honorable and learned member for Werriwa stated that the object of his amendment was to show that we are exporting harvesters from the Commonwealth, and I am glad, therefore, that the honorable member for Melbourne Ports has moved this amendment. Had he not done so, I should have moved an amendment to the same effect. The fact that harvesters are being made here shows that there is no necessity for their importation, and that there is room for a great expansion of the local industry, which, I hope, we shall see in the near future.

Mr. LONSDALE (New England).—I am glad that the return has been asked for. If the local makers of harvesters can send their machines abroad to compete with the manufactures of foreign makers, they can surely compete with those manufactures in Australia, where the foreign makers are at a disadvantage. They must, therefore, be getting a monopoly through the action of the Minister of Trade and Customs. The honorable member for Hindmarsh evidently believes in monopolies, because he would prevent the importation of harvesters into this market.

Mr. MAUGER.—Is it not better to have a monopoly here than in America?

Mr. LONSDALE.—I do not wish monopolies to be created either here or in America. Mr. McKay has made from £20,000 to £30,000 during the last year.

Mr. MAUGER.—Rubbish.

Mr. LONSDALE.—Will he show his books to prove or disprove my statement?

Mr. SPEAKER.—I fail to see in the statement any connexion with the motion.

Mr. BROWN.—Is the motion in order? If I remember rightly, a similar motion was carried last session, to which I added an amendment, asking for information with respect to the importation and exportation of machinery. That return has not yet been complied with.

Mr. SPEAKER.—I do not know if the motion to which the honorable member refers is identical with that now under discussion, but, if it were, that fact would not make this motion out of order.

Mr. CROUCH (Corio).—Do the Government accept the motion?

Mr. DEAKIN.—I have no objection to it.

Mr. CROUCH.—The publication of the information asked for will do a lot of harm to a certain firm which is aimed at. Have they consented to it?

Mr. DEAKIN.—I am not aware.

Mr. ROBINSON.—It is a contemptible and dirty insinuation to say that any firm is aimed at.

Mr. SPEAKER.—The honorable and learned member must withdraw that remark.

Mr. ROBINSON.—I withdraw it; but the honorable and learned member for Corio makes a most unwarranted statement in saying that the motion is aimed at a certain firm. There is no basis of fact for such a statement, and he should be ashamed to have made it.

Mr. CROUCH. — The honorable and learned member is aggravating his offence.

Mr. SPEAKER.—If the honorable and learned member for Corio objects to that remark, the honorable and learned member for Wannon must withdraw it.

Mr. ROBINSON.—Then I withdraw it.

Mr. CROUCH:—It would do away with my opposition to the motion if I knew that this firm had consented to the publication of the information asked for.

Mr. HUTCHISON.—More than one firm is concerned. There are at least two firms in South Australia.

Mr. CROUCH.—The more there are the better; but I venture to say that it will do a large amount of harm to McKay and Company, whose Sunshine harvester, manufactured at Ballarat, is exported in large numbers, and to the other local firms who are in this business, if their foreign trade rivals are informed of the destinations to which Australian harvesters are sent. The honorable and learned member for Wannon has recently been supplied with information, in connexion with a debate in this House, by the Massey-Harris Company, a trade rival of McKay and Company, which imports machines to Australia.

Mr. ROBINSON. — The Massey-Harris Company has not approached me in any way about this return.

Mr. CROUCH.—Then the honorable and learned member is accidentally rendering a great deal of assistance to the importers of harvesters. The Sunshine harvesters have been sent to Peru, Chili, and to the Argentine.

Mr. McCAY.—Where did the honorable and learned member get that information?

Mr. CROUCH.—It is a matter of public knowledge, and has been stated in the press.

Mr. LONSDALE.—Then why object to the return?

Mr. CROUCH.—Because it would give an advantage to the trade rivals of the local manufacturers of harvesters. I am sorry that I have not had an opportunity to consult Messrs. McKay and Company as to whether they think the publication of the information asked for will injure their export business. The honorable and learned member for Wannon would have an equal right to ask for the names of the consignees to whom they send their harvesters. Cannot honorable members see that that might injure the local manufacturers? Those of us who are interested in building up Australian manufactures should see that nothing is done to assist Canadian and American firms which are endeavouring to crush out local production. But, perhaps, as the time allowed for private business has nearly expired, I may be allowed to continue my remarks on another day.

Mr. SPEAKER.—Is it the pleasure of the House that the honorable and learned member for Corio have leave to continue his remarks on another day?

Mr. LONSDALE.—I object.

Mr. CROUCH.—I intend to move—

That the words "such return to specify the destination of such exports" be left out.

It may be that the production of this information will not do the harm that I anticipate, and the attitude of the Government towards the motion supports that view; but, as I am not aware of what the manufacturers themselves think about the matter, I am of opinion that it would be better to omit those words. In the United States of America, President Roosevelt, under what may be called an elastic clause of the Tariff Act, has power, when he sees that there is a certain volume of imports into that country from abroad—

*Debate interrupted; Government business called on under sessional order.*

## SUPPLY.

### ADDITIONS, NEW WORKS, AND BUILDINGS.

#### DEPARTMENT OF HOME AFFAIRS.

##### *In Committee of Supply:*

Division 1 (*Trade and Customs*), £5,158.

Sir JOHN FORREST (Swan—Treasurer).—We propose to ask honorable members to adopt a course somewhat different

from that previously followed in regard to making provision for new works and buildings. We desire to dispose of the works and buildings estimates before the general estimates are dealt with. Previous experience has shown us that generally it is very late in the year before the Estimates are passed, and that very little time then remains within which to proceed with works for which provision is made, and complete them before the end of the financial year. I think that the course we now propose is a good one, because it will enable us to place the works in hand at an early date, and probably obviate the necessity of coming to the House next year and asking honorable members to revote large sums of money.

Mr. McWILLIAMS.—A great deal of the delay in the construction of works arises from the neglect to push on with them.

Sir JOHN FORREST.—There is great difficulty in pushing on with the works. In the first place, plans and specifications have to be prepared, and the Department is not in a position to incur even this initial expenditure until the works have been approved. Therefore, no work can be legally put in hand until the Appropriation Bill has been passed. Honorable members will see at once that if plans and specifications were prepared at considerable cost for the erection of buildings, and Parliament afterwards refused to sanction the expenditure, no money would be available for the payment of even the preliminary expenses.

Mr. McWILLIAMS.—Has the Treasurer ever known of such a system having been adopted in any other Parliament?

Sir JOHN FORREST.—I cannot say that I know of such a case, but I think that the course proposed is a most convenient one.

Mr. JOSEPH COOK. — Very convenient, for the Government.

Sir JOHN FORREST.—Not convenient for the Government, but of great advantage to the country.

Sir GEORGE TURNER. — This matter should be dealt with as soon as the debate on the Budget has been concluded, and not before.

Mr. DEAKIN. — That would involve a considerable delay.

Sir JOHN FORREST.—If the discussion of the new works and buildings were involved in the debate on the general estimates, I could see the point of the right honorable gentleman's remark; but I con-

sider that, in view of all the circumstances, it is in the best interests of the country to put the proposed works in hand at once. Honorable members cannot say that they have not had notice of the intention of the Government in this direction, because I intimated about a fortnight ago that we intended to follow this course. There has been no whisper either from honorable members or from the press that any objection would be raised, and I trust that no technical objections will be brought forward to interfere with the passing of this appropriation. The works and buildings estimates, which are included in the schedule of the Bill, provide for an expenditure of £418,911, as compared with nearly £12,000,000 provided for in the general estimates. I do not see why we should delay proceeding with the proposed works until honorable members have talked for two or three months. The change which we have made is, I think, in the right direction.

Mr. CONROY.—Is it true that only about £10,000 of the money proposed to be appropriated will be spent in wages?

Sir JOHN FORREST.—I cannot say the exact amount, but necessarily a large sum will be spent in wages, because buildings can only be constructed by the employment of labour, which, of course, has to be paid for. I cannot see any practical objection to the course we are adopting. Honorable members will see by reference to the schedule that under the Department of Trade and Customs, provision is made for a revote of £1,979, and for the expenditure of £185 upon new services. Under the head of the Defence Department, it is proposed to revote £26,245, and to appropriate for new services, £40,271. In the Post and Telegraph Department, it is proposed to revote £23,565, and to devote to new services £56,016; the total being £148,261, of which revotes represent £51,789. It is anticipated that £20,000 of the total amount will not be expended during the year. It is proposed to appropriate for the construction of telegraph and telephone lines, £169,150, but it is anticipated that £20,000 of this amount will not be expended during the year. It is intended to place at the disposal of the Treasurer, £1,500 for the purchase of machinery and plant for the Commonwealth Printing Office, whilst the Defence Department is to have an appropriation



of £181,060, of which it is expected that £41,060 will not be expended during the year. In the Defence revotes, provision is made for the construction of a stable and gun park at Brisbane, at a cost of £1,250, whilst £1,909 is to be revoted in connexion with the additions to the Customs House at Sydney. Provision is made for a revote of £1,000 for the construction of a rifle range at Brisbane, £4,900 is to be revoted for the construction of forts and quarters at Arthur's Head, at Fremantle, and £5,996 is to be revoted in connexion with the construction of the fort, and the acquisition of the site at North Fremantle. I trust that we shall be able to spend this money during the current financial year.

Mr. McCAY.—That money voted for the construction of the fort at North Fremantle was not spent last year, because the site was not acquired, and not because of the delay in passing the vote.

Sir JOHN FORREST. — I know that the site was selected two years ago by Major-General Sir Edward Hutton.

Mr. McCAY.—I know that what I state is perfectly correct.

Sir JOHN FORREST.—It is proposed to revote £9,900 for post-offices in New South Wales, £4,937 for post-offices in Victoria, £1,299 for post-offices in Queensland, £1,754 for post-offices in South Australia, and £5,675 for post-offices in Western Australia. All these amounts were voted last year, but the works could not be completed because of the short time that elapsed between the passing of the Appropriation Act and the end of the financial year. I do not think it is desirable that we should repeat the same operation year after year. All these works for which these sums are to be appropriated have already been approved by the House, and still we have to come back and ask that the money shall be revoted. Under the head of new works, it will be seen that provision is made for fortifications and other defence works in New South Wales to the extent of £9,922, and that it is proposed to spend in Victoria £10,356; in Queensland, £3,821; in South Australia, £3,381; in Western Australia, £11,247; and in Tasmania, £1,544. The votes for new services in the Post-office Department are as follows:—New South Wales, £11,350; Victoria, £15,200; Queensland, £5,846; South Australia, £3,870; and Western Australia, £19,750. As I have already

said, it is expected that £20,000 of the total amount of £169,150 will not be spent during the current year. I may mention that provision is made in the amount voted for the Postmaster-General's Department for £30,000 for the construction of a trunk telephone line from Sydney to Melbourne. It is proposed to expend £15,000 upon telephone lines in Queensland, and £10,000 upon similar works in South Australia, whilst £6,000 is appropriated for telegraph lines, and £17,000 for telephone lines in Western Australia. Under the heading of Defence, it is anticipated that there will be an expenditure of £140,000, in accordance with the plan which is being carried out for providing special up-to-date armament and material, and for placing our land forces upon a war footing. It is expected that we shall spend that amount this year, although, if it is possible to obtain the requisite arms and armament within that period, the expenditure will be £181,060. As I remarked the other evening, we are nearing the time when we shall have completed the scheme for placing our land forces upon a war footing, so far as their equipment with arms and armament of the most approved type is concerned. My colleagues will be able to explain to honorable members any details in the Bill connected with their various Departments. The measure provides, I am sorry to say, only for the few works which the Commonwealth is able to carry out. Those works will be constructed out of revenue, and the expenditure upon them represents even less than the amount for which I have been accustomed to ask in a small State. Seeing that we are only asking the Committee to authorize an expenditure of £418,911 upon works for the whole of the Commonwealth, I do not think that any one can charge us with extravagance. Nobody who was unacquainted with the facts, would credit the statement that this great Commonwealth, with 10,000 miles of seaboard, is confining itself to absolutely necessary works, involving an expenditure of only £418,911 for the year.

Mr. McWILLIAMS.—The Senate saved the Government £18,000 yesterday.

Sir JOHN FORREST.—I do not think that the work to which the honorable member refers would have been carried out in a year. Neither do I regard his remark as a fair one. I could retort severely, but I hope that I shall be a more generous political friend to the beautiful State of which

the honorable member is a representative than he seems to be to my isolated State, Western Australia.

Mr. McWILLIAMS.—It is not a matter of friendship.

Sir JOHN FORREST.—I thoroughly understand that it is a matter of duty. I shall be glad to give any further information that I can to honorable members—and I am sure that I may make a similar promise on behalf of my colleagues—in regard to any of the items contained in these Estimates.

Mr. JOSEPH COOK (Parramatta).—I should like to make one or two remarks upon these Estimates at the present stage. I am totally opposed to the course which the Government propose to take in connexion with them. I am not opposed to reasonable despatch in the voting of supplies for necessary works, and I deeply regret that I have to place myself in antagonism to the Government upon this matter, for the simple reason that I anticipate there will come, from some quarters of the House as reasons for the urgency of the course which the Government are adopting, the cry that people are out of work and want it. I submit that great and urgent as such considerations are, and deeply as we may sympathize with the unfortunates who are in need of employment, we have still a higher duty to perform—the duty of guarding to the fullest possible extent, all the constitutional rights which are provided as checks upon a possibly extravagant Government. The Treasurer has told us that the proposals which he has made are in the interests of the country. I venture to say that we shall best consult the interests of the country if we carefully dissect and discuss any proposals relating to finance which this or any other Government may bring forward, and if we observe all those checks and balances which the Constitution has provided upon the extravagance of those who have charge of our Executive functions.

Mr. FISHER.—But there is no proposal to hurry these Estimates through.

Mr. McCAY.—There is to be a proposal to suspend the Standing Orders.

Mr. JOSEPH COOK. — I understand that the Government propose to suspend the Standing Orders, in order to put a Bill through immediately we have passed these Estimates. I am altogether opposed to the suspension of the Standing Orders, until greater necessity has been shown for

adopting such an extraordinary course. The Treasurer has told us that it is a convenient practice to bring down these large Estimates of works, and I submit that they are large, having in view the possibility of expenditure on the part of the Government—expenditure the limitations of which the Treasurer so deeply regrets. I am sure that he is sorry that he has not scores of millions of pounds to spend all over Australia.

Sir JOHN FORREST. — If we had it I should like to spend it.

Mr. JOSEPH COOK.—I am sure that the right honorable gentleman would. He would very soon make it fly, and I feel certain that his colleague, the Minister of Trade and Customs, would back him for all he knew when the question of the expenditure of public money came to be discussed in Cabinet. Everybody knows that the Treasurer likes to spend money. He has made himself extremely popular before to-day by the adoption of that very means. He regrets that he has not millions to scatter over a smiling Australia. He says that he is adopting this course because it is a convenient one. May I remind him that that reason has been urged for the most corrupt and extravagant proposals which have ever come before the Parliaments of the world. Before to-day kings have found it convenient to dispense with parliamentary control altogether on that account. I submit that there is no more urgent reason for adopting the course proposed than is to be found in the general observations of the Treasurer. I have no hesitation in saying that the proposal of the Government, under all the circumstances of the case, is neither more nor less than an indecent one.

Mr. POYNTON.—Is it indecent to endeavour to provide a little work?

Mr. JOSEPH COOK.—The honorable member might as well make that interjection as any other; it is an absolutely foolish one.

Mr. POYNTON.—It is absolutely correct.

Mr. JOSEPH COOK.—That remark, I am afraid, shows the total incapacity of the honorable member to view this matter in its proper relation—

Mr. POYNTON.—I know all about it.

Mr. JOSEPH COOK.—May I venture to say that these remarks only serve to show the demoralization which is coming over this House.

Mr. TUDOR.—Hear, hear.

Mr. JOSEPH COOK.—We are asked to put aside all the ordinary processes of legislation as applied to finance, and to abandon all the checks which the House is supposed to exercise upon Ministerial extravagance—to establish a new precedent in regard to the disposal of these matters—

Sir JOHN FORREST.—With what object?

Mr. JOSEPH COOK.—I have no doubt that the right honorable gentleman does not take any account of precedent or custom, no matter how they may be sanctified by time. He has already shown a very decided disposition to make a new departure in connexion with the delivery of his Budget. Now he is endeavouring to remove the control of the finances from the House. No doubt that would be a very convenient practice, and the more a Government is inclined to be extravagant, the more convenient it would be. What are the facts of the case? The Treasurer submitted the whole of the financial policy of the Government to us two days ago. It has occupied a whole year in preparation.

Mr. POYNTON.—That is not correct.

Mr. JOSEPH COOK.—It is not correct from the stand-point of the honorable member, but from my point of view it is perfectly correct. I say that the Treasurer's statement, as presented to us, shows the working of the Commonwealth Departments over a whole year.

Mr. TUDOR.—The honorable member has altered his original statement.

Mr. JOSEPH COOK.—I am amplifying that statement a little. I say that from that stand-point the Treasurer's statement is the result of the year's operation of the Departments. If it has taken the Departments a whole year to formulate these proposals, is it fair to ask us at two days' notice to vote huge sums of money, involving large matters of Government policy, in this hasty manner? We have had no time to peruse the various items contained in the Estimates. They have been placed before us, and we are asked, forsooth, to vote the money and to discuss any question of policy which may be concerned subsequently. The other night the Treasurer agreed to an adjournment of the Budget debate for a week to enable the ex-Treasurer—the right honorable member for Balaclava—to peruse the statement submitted to the House.

Mr. CROUCH.—The ex-Treasurer rose to discuss this matter, but the honorable member took precedence of him.

Mr. JOSEPH COOK.—I am sure that the ex-Treasurer will be able to answer for himself, and I have yet to learn that the honorable and learned member for Corio is so much of a thought-reader as to know the intentions of the right honorable gentleman.

Mr. CROUCH.—The right honorable member for Balaclava rose to address the Committee.

Mr. JOSEPH COOK. — I shall await with the greatest possible interest the statement of the right honorable member for Balaclava upon this matter. I am making my protest against voting this money—involving, as it does, large matters of public policy—before there has been a thorough discussion of the Budget itself. Can we again discuss these matters after the money has been voted? Will it be of any use for us to do so? I venture to say that we are wrongly discussing the whole matter now. We cannot possibly discuss these large questions of policy so hurriedly, and with the small amount of information that is now in our possession. I am not complaining of the wisdom of dealing with these works estimates at the earliest possible moment. I do not wish to be misunderstood upon that point. I agree that every expedition should be used, consistent with the duty cast upon us of thoroughly investigating the items. But I submit that they should only be dealt with after there has been a thorough discussion of the whole of the Budget proposals—immediately after that has taken place, if honorable members please, but certainly not before. That is the point I take in connexion with the whole matter. What was done last year? It is well known that the ex-Treasurer has always urged that we should pass the Works Estimates as speedily as possible, on the ground that more time is thus given for the expenditure of the votes so passed, and that the Treasurer feels that he has greater freedom in dealing with the money. The action taken last year by the Government may have suggested the course now proposed to be followed, but the two cases are altogether different. If the Government would pursue the policy that was adopted by the late Government, I should have no complaint whatever and no ground of quarrel with the Treasurer. I find that the Budget was not delivered last year until the 17th or 18th of October.

Sir JOHN FORREST.—There were special reasons for that.

Mr. JOSEPH COOK.—I do not know what led to the delay.

Mr. CARPENTER.—The Government had to wait for the Public Service classification.

Mr. JOSEPH COOK.—At all events, the Budget statement was not submitted until October, and, notwithstanding the lateness of its delivery, no proposal was made to deal with the Works Estimates until the 24th November—six weeks later. I am not pleading for any delay, except that necessary to enable us to thoroughly discuss the Budget proposals covering the policy regulating the whole of the intended expenditure. The reason for urgency, which existed last year, is not forthcoming in this case. We are now only in the month of August, and the discussion of the Budget proposals will probably be nearing its conclusion soon after the beginning of next month. I submit that the Government should follow the policy adopted last year, shortening, if necessary, the interval between the discussion of the Budget, and the submission of these Estimates. The moment the Budget has been discussed, and dealt with, I shall be prepared to vote these supplies. We have a higher function than that of hastening a little temporary employment for those who are unfortunately out of work, and that function is to thoroughly test and scrutinize the expenditure of the Government, which seems to be so large, extravagant, and statelily in its notions. I have already said that these Estimates involve important questions of public policy, and we have to discuss those questions in view of the Ministerial declaration. Let us, for example, take the Estimates relating to the Department of Defence, under which we are asked to vote about £140,000. In these Estimates we have the items, "Field artillery, guns, harness, waggons, and ammunition, £58,000"; "machine guns, £10,000"; "two 7.5 guns and ammunition, £24,000." I do not wish at this stage to discuss the question whether that expenditure ought to be incurred. I am prepared to believe it is necessary, and that these are largely the Estimates of the preceding Government; but, surely, there are questions of policy involved. We have been told by the Prime Minister that, in his opinion, the whole subject of the defence of Australia ought speedily be placed under review, with a view to a stable policy being decided upon.

Sir JOHN FORREST.—We are only proposing at this stage to carry out what we have already agreed upon.

Mr. JOSEPH COOK.—There is much to be said as to the point raised last year by the leader of the Labour Party, in reference to the equity of the proposal to expend £24,000 at the present moment in putting the defences of Western Australia on a secure footing.

Mr. FRAZER.—What about the £30,000 for the telephone services?

Mr. JOSEPH COOK.—I shall come to that point. We spent large sums in perfecting the defences of New South Wales before the Department was taken over by the Commonwealth, and it is a question of moment whether we ought to expend this money in Western Australia until, at all events, the matter of the transfer of State properties has been settled, and their values determined. This is a matter that ought to be dealt with in the general discussion of the Budget before we are called upon to vote these huge sums of money.

Sir JOHN FORREST.—We voted the money in question last year, but did not expend the whole of it.

Mr. JOSEPH COOK.—We certainly voted it last year, but there was much demur to the proposed expenditure, objections being raised, on the initiative of the leader of the Labour Party, who pointed out how inequitable it would be to make this outlay in Western Australia until the question of the transfer of properties had been determined. I do not wish to discuss these matters, and am referring to them only to show why we should delay the passing of these Estimates until the whole question of policy relating to them has been settled. The Treasurer told us last night that he was strongly in favour of Imperial defence, and that we ought to pay more for our defences.

Sir JOHN FORREST.—I did not say anything about the Imperial Navy. I am not taking back anything I said, but all that I asserted was that we should have to spend more on our own defences. I did not say in what way that expenditure should be made.

Mr. JOSEPH COOK.—Am I to understand—

Sir JOHN FORREST.—The honorable member is to understand only what I said.

Mr. JOSEPH COOK.—As the right honorable gentleman refuses to vouchsafe any explanation, I must proceed in my own

way. I am indebted to him for his courtesy in declining to assist me to understand what he had in mind.

Sir JOHN FORREST.—It is all in *Hansard*.

Mr. JOSEPH COOK.—But *Hansard* is not available to me at this moment. The right honorable gentleman, at all events, told us distinctly last night that we required to spend more for the purposes of Imperial defence.

Sir JOHN FORREST.—For the purposes of defence.

Mr. JOSEPH COOK.—I think the right honorable gentleman used the word "Imperial."

Sir JOHN FORREST.—I refer the honorable member to *Hansard*.

Mr. McWILLIAMS.—The Treasurer was quite right if he did use that word.

Mr. JOSEPH COOK.—I am not saying that he was right or wrong, but in view of his statement I wish to direct attention to the item of £58,000 for field artillery. This appears to me to be putting the cart before the horse. I take it that our sea defences are our first line of defence, and therefore, if we are going to spend these huge sums in procuring field artillery, we ought also, according to the right honorable gentleman's theory, to be attending to our coastal defences more adequately than we are. These are all matters of policy that should be discussed before we vote these huge sums. There is another item of £10,000 in respect to machine guns. We are to incur this heavy expenditure in purchasing machine guns before we have a definite policy of defence, as suggested by the Prime Minister.

Mr. CROUCH.—The £10,000 in question was voted last year.

Mr. JOSEPH COOK.—Even if that be so, the matter should be explained. I believe, however, that the money has not been spent. Before we indulge in this great expenditure upon our land defences, we ought to have some definite statement from the Minister as to the defence policy of the Government. The Prime Minister has been travelling all over Australia, talking in his most eloquent way of the necessity of improving our defences, and practically of assimilating the defence system of Australia with that of Switzerland.

Mr. EWING.—Such a scheme cannot be drawn up in a few days. The honorable member ought to be fair.

Mr. JOSEPH COOK.—Certainly it cannot, but the Prime Minister, by implication, condemns our present system. That being so, a clear, definite, and intelligent policy in regard to the defences of Australia should be placed before the House—either by the Prime Minister or the Treasurer—before we are asked to vote these large sums. If there is an explanation to be given, we ought to have it. Let us discuss these matters adequately, and know in what direction we are trending before we pass these huge votes. Then there is the question of Inter-State telephones, to which reference has been made by the honorable member for Kalgoorlie. I find that a sum of £19,000 is to be placed to the debit of New South Wales, and a sum of £11,000 is to be debited to Victoria on account of their Inter-State telephones. Surely these items raise a matter of special importance, as to which we ought to have a declaration of policy on the part of the Government. We are told that if we vote these sums the Government will then allow us to discuss the question of policy. This is a matter of the most vital concern to the Commonwealth, and the obligation rests upon us to see that these Works Estimates are not hurried through without the fullest, freest, and fairest investigation. I simply ask the Government to deal, first of all, with the Budget proposals. When the discussion of the Budget has been concluded, it will be open to them to submit their public works policy, and there need be no doubt as to the attitude that the House will take up in deciding whether or not they should be passed with expedition. A delay of two or three weeks can make no practical difference in the expenditure of these moneys.

Sir JOHN FORREST.—It seems to be a case of live horse and you will get grass.

Mr. JOSEPH COOK.—I am bound to say that the more I hear of the right honorable gentleman the more do I think the Parliament ought to be careful in intrusting him with sums of money without the fullest discussion as to their destination, and as to the advisableness of the proposed expenditure.

Sir JOHN FORREST.—I have been accustomed to being trusted in this way.

Mr. JOSEPH COOK.—I suppose the right honorable gentleman has. From what I hear, he used to have a very free and easy time in the West.

Sir JOHN FORREST.—The proof of the pudding is in the eating.

Mr. JOSEPH COOK.—It is very easy to get the pudding, and eat it too, when one is acting the part of an emperor in one's own State. I hope we are not going to have a repetition of anything of that kind in connexion with the finances of the Commonwealth. I can conceive of nothing more disastrous to the finances of Australia than the pursuance of a policy that may have been advantageous in the early days of Western Australia. I am not condemning the right honorable gentleman for anything that he did in Western Australia, but suggest that the position of the Parliament of that State is entirely different from that of the Commonwealth. Here we are acting as trustees in monetary matters for the whole of the States. Our position is very different from that of those who are agreeing to the expenditure of money in their own State. Before we have any further voting away of large sums of money, the least we may ask the Government to do is to facilitate the discussion of the Budget, and to finish the financial debate before proceeding to deal with these Estimates.

Sir GEORGE TURNER (Balaclava).—The acting leader of the Opposition has forestalled me in the remarks which he has just made. I think that he has put the position very fairly, and forcibly. The Government will not accuse me of desiring to prevent them from getting on with business, and it is my wish to facilitate the passing of these particular Estimates. My experience as Treasurer showed me that the effect of passing these Estimates late in the year, and of the Works Department not having ready in advance the necessary plans and specifications, so that the works for which Parliament voted money could be proceeded with directly the Works and Buildings Bill became law, was that the parliamentary appropriations could not be spent during the currency of the financial year. I therefore intimated, some time ago, that I intended to ask the House to deal with the works portion of the Budget proposals earlier than with the ordinary appropriations for the year; the former practice being to discuss the ordinary appropriations for the year, which took several weeks, before dealing with the works estimates. Now, however, we are asked to go from one extreme to the other, and to do what, in my opinion, it would be highly improper,

and, perhaps, hereafter, dangerous to do. I am as anxious as is any one to see necessary public works proceeded with, but it will not make any difference whether we pass these Estimates to-night or three weeks hence, because, before anything can be done tenders must be accepted; and there is nothing in the world to prevent the Government from calling for tenders, and having everything ready a month hence, by which time I am certain that the Estimates will have been passed, because a large part of the amount asked for is made up of re-votes for works in progress. I admit that it is useless to fight the Government on this question, because of their solid majority, but I urge the Prime Minister and the Treasurer not to attempt to rush these Estimates through.

Mr. FISHER.—About when would the right honorable member suggest as the proper time for their discussion?

Sir GEORGE TURNER.—I am pointing out that the Government will gain nothing by forcing through these Estimates now. Honorable members will desire explanation with regard to many of the items contained in them. Such an item is that which provides for the construction of a telephone between Sydney and Melbourne, to be charged to all the States on a population basis.

Mr. FRAZER.—Then that work is not to be paid for by Victoria and New South Wales alone?

Sir GEORGE TURNER.—No. According to the practice of the last two years, expenditure of this kind, whether incurred in Western Australia or in any other State, is debited to the Commonwealth as a whole. The suggestion I make to the Government is advanced in all friendliness, with a view to expediting the passing of the Estimates. We are to resume the debate on the Budget next Tuesday, and I am certain that the Government do not anticipate that the Estimates now before us can be finally dealt with in the two or three hours of to-night's sitting, and the few hours at our disposal to-morrow. They perhaps could be forced through if they were not properly discussed; but the Government would make a grave mistake if they adopted such a course. Besides, they would have nothing to gain by adopting it. To say that by objecting to the consideration of these Estimates now we are preventing men from getting work is to make a statement for which there is no foundation in fact. I am as anxious as

are my honorable friends on the corner benches that work shall be provided for the people, but such work cannot be proceeded with until the Works Department has all preliminaries ready, so that it will be sufficiently early if we pass these Estimates in a month's time.

Mr. POYNTON.—Why did not the right honorable member see that preliminaries were advanced when he was in office?

Sir GEORGE TURNER.—I have frequently urged the Works Department to have their plans and specifications prepared in advance of the voting of money by Parliament; but I found it difficult to get them to do so. My suggestion is that we should commence the financial debate on Tuesday next, and deal with the Budget proposals as a whole. We cannot fairly discuss proposals of great moment, such as the Budget, piecemeal; but that is what we are being asked to do. We must either pass these Estimates without discussion, and vote blindfolded, or we must properly consider them, in which case they will not have been dealt with by Tuesday next, when the debate on the Budget is to be resumed. I suggest, therefore, that they should be allowed to stand over until the conclusion of the debate on the Budget, which probably will be concluded within a fortnight. My remarks on the Budget will be of the briefest character, because I have no desire to spin out the discussion on the Treasurer's statement, and I do not know that any honorable member desires to do so. Therefore a fortnight, and perhaps a week, will suffice for the Budget debate, and these Estimates can be brought forward immediately afterwards. In regard to them, I suggest to the Treasurer that he might advantageously follow the practice which I adopted in connexion with my first Budget, and which I intended to adopt in connexion with the others, but found it impossible to do so, namely, to have a short statement prepared, giving all the information available in regard to every proposed work, and to circulate that statement amongst honorable members. If that is done, probably nine out of ten of the proposals will be passed without discussion. I appeal to the Treasurer, and to my old friend the Prime Minister, not to try to force these Estimates through now. The Government have nothing to gain by doing that. No harm may be likely to come from passing this particular set of

Estimates at this time, but to do so will establish what I think may be a dangerous precedent. While nothing will be gained by forcing the Estimates through, nothing will be lost by allowing their consideration to be postponed until after the Budget debate, because, in the meantime, plans and specifications can be got ready, and tenders advertised for, returnable, say, in three weeks or a month, by which time the Estimates will have been passed, and the money needed will be available.

Sir JOHN FORREST.—What will be the position of the poor people who go to the trouble of tendering for works which are not sanctioned by this House?

Sir GEORGE TURNER.—There are works to be tendered for which are certain to be sanctioned by this House.

Sir JOHN FORREST.—Then why not pass the Estimates now?

Sir GEORGE TURNER.—Because we have no precedent for dealing with an important part of the Budget proposals before the statement of the Treasurer has been discussed. I was astounded when I entered the Chamber, and found what was proposed. I shall not take any further part in opposing the action of the Government if they refuse my request; but I urge them, in their own interest, and in that of the Committee, to prevent the establishment of a dangerous precedent, by allowing the discussion of these Estimates to be postponed until the conclusion of the Budget debate, when we on this side of the Chamber will facilitate the passing of them, as much as men can do.

Mr. FISHER.—As the first business after the conclusion of the Budget debate?

Sir GEORGE TURNER.—Yes, immediately afterwards.

Mr. DEAKIN (Ballarat—Minister of External Affairs).—It is impossible for any of us to listen to the right honorable member who has just resumed his seat without feeling that great deference is due to one of such large experience in both Commonwealth and State finance. The right honorable gentleman, however, spoke under a slight misapprehension, while the acting leader of the Opposition was still more in error. It is not the desire of the Government that the Committee shall pass these Estimates without the closest scrutiny and consideration. We are ready to afford all information needed, and are not attempting to force honorable members to accept them in any unprecedented way. We understood that

there was a consensus of opinion that the course now being followed should be adopted.

Mr. JOSEPH COOK.—No.

Mr. DEAKIN.—It was suggested in previous sessions, and recently pressed by the honorable member for Melbourne Ports, the leader of the Labour Party, and others. We have complied with the suggestion, under the impression that in so doing we should be acting in accordance with the desires of honorable members generally. I took steps to assure myself that in improving, so to speak, on the excellent precedent set by the right honorable member for Balacava last year in taking the Works Estimates before the ordinary Estimates of the year, we should do nothing contrary to the principles of right parliamentary procedure. We have passed a Supply Bill framed on the lines of the Budget proposals before the financial debate has begun, and are at liberty to deal similarly with these works and buildings estimates. It might well happen that, on occasion, some great principle might be involved, in which case it would be reasonable to request the postponement of that part of the Estimates until the Budget had been dealt with. There are, however, no such items now before the Committee, and the passing of these Estimates will in no way interfere with the discussion of the general financial position. There is no constitutional objection to following the course which the Government has proposed, if honorable members are ready to do so, and we understood that it was their wish that it should be followed. If any novel proposal can be discovered in these Estimates, demanding special consideration, there can be no objection to dealing reasonably in regard to it. In adopting this course, the Government have no intention of achieving any advantage for themselves. But, year after year, Parliament is asked to re-vote sums of money which could not be expended in the year in which they were originally voted. There are a number of such items in these Estimates from last year. The proposals to which they relate have been already thoroughly discussed, and approved by Parliament.

Mr. JOSEPH COOK.—Why not deal similarly with the Estimates which provide for the salaries of the public servants?

Mr. DEAKIN.—The House has just voted a month's supply for them before dealing with the Treasurer's statement.

Sir GEORGE TURNER.—If any single item in these Estimates has to be postponed, it will prevent the Government from proceeding with the Works and Buildings Bill.

Mr. DEAKIN.—There can be an understanding that, if the Estimates are agreed to, we shall not proceed to expend the money until the Budget debate is concluded.

Sir GEORGE TURNER.—The Government have another place to consider.

Mr. DEAKIN.—I am informed that there are works being proceeded with by the Department of Home Affairs, and the Postmaster-General's Department, which will be stopped if money is not speedily voted. I pay great deference to my right honorable friend's opinion, and he has made an appeal which it is very hard to resist.

Mr. FISHER.—And a promise.

Mr. DEAKIN.—I am quite sure that the right honorable gentleman would follow the same course, promise or no promise. He has made an appeal which it is very hard to resist, and to meet his friendly invitation I venture to make a suggestion. I find from consultation with the officers of the Postal and Home Affairs Departments that the requisitions have been received for a certain number of works, for which preparations are now in hand. The amount required by the Department of Home Affairs would not amount to more than £4,000 or £5,000, but a considerably larger amount would have to be appropriated for similar works in the Postal Department. I understand that a number of payments would have to be made for work already done.

Sir GEORGE TURNER.—Those amounts might be paid out of the Treasurer's Advance Account.

Mr. DEAKIN.—I was just about to say that provision could be made for such payments out of the Treasurer's Advance Account. On the understanding that we shall proceed with the works which are ready, and so give whatever employment we can immediately, I shall consent to my honorable friend's suggestion, and defer the further consideration of these Estimates until he and other honorable members have offered their criticisms upon the Budget. I think that by following this course I shall pay that regard which is due to the right honorable gentleman, and at the same time arrive at an understanding which will enable us to proceed with the more urgent works, and to some extent relieve the pres-



sure. For the present, we shall have to rely upon the Treasurer's advance, but I trust that honorable members will see that the course that we have proposed to follow with these votes is far from being opposed to any constitutional practice, and will be a convenient one. I think that by dealing with the works and buildings estimates at as early a period of the year as possible, we shall make our appropriations real instead of sham votes, and enable the money set apart for certain works to be expended, as it is intended it should be, during the year for which it is voted.

Mr. DUGALD THOMSON. — Parliament would altogether surrender its hold upon the policy of the Government if it passed the works estimates before the debate on the Budget was concluded.

Mr. DEAKIN. — That might be so upon some very special occasions, but I do not think that in the ordinary course there is anything to fear. Under the special circumstances I shall ask my honorable colleague the Treasurer not to proceed further to-night. I trust that honorable members will give us every assistance in dealing not only with the Budget, but with the proposed votes for the works enumerated in these Estimates, regarding which every information will be circulated.

Mr. JOSEPH COOK (Parramatta). — I feel that I ought to make one remark after the speech which the Prime Minister has addressed principally, if not wholly, to the right honorable member for Balaclava.

Mr. WILKS. — The Prime Minister ignored the Opposition.

Mr. JOSEPH COOK. — I wish to say that, so far as any implied understanding is concerned, he must not take my silence as involving in any way my assent to the proposal.

Mr. DEAKIN (Ballarat—Minister of External Affairs). — I was placed in a rather special personal position in regard to a late colleague of mine, who not only advanced a pointed argument, but made a personal appeal; and in my natural desire to respond to his suggestion in the spirit in which it was made, confined my remarks to him, but without the slightest intention of ignoring the position occupied by the honorable member for Parramatta.

Mr. JOSEPH COOK. — All I wish the Minister to understand is that I am not a consenting party to any bargain such as he has suggested.

Mr DEAKIN. — I am quite satisfied to allow the honorable member to take his own course, so long as he realizes that I was speaking by way of reply to a personal appeal, and may have appeared to ignore him, without having the slightest intention of so doing.

Mr. FRAZER (Kalgoorlie). — I do not feel at all satisfied with the position the Prime Minister is taking up on this occasion, and I almost feel disposed to think that his attitude —

Mr. CONROY. — What is the use of the honorable member's yapping, if he does not intend to bite?

Mr. FRAZER. — It is a novel thing to hear the honorable and learned member yapping, because when he was sitting over on this side of the Chamber he was not even allowed to open his mouth. I am glad to say that honorable members on this side are at liberty to express their opinions upon any subject and at any time, and I am prepared to express mine to the extent of voting upon the question as to whether we should proceed further with the business now before us. The Prime Minister, in my opinion, for weakly yielding, deserved the rebuke which he received from the leader of the Opposition. Estimates were presented providing for revotes amounting to £51,000 for works which were authorized last year, and which should be proceeded with without any further delay, and yet the Prime Minister immediately complies with the request of the ex-Treasurer, and consents to set aside the business in hand. The right honorable member for Balaclava suggests that there is no precedent for pursuing the course proposed by the Government; but my view is that we should not think of precedent in connexion with a matter of this kind. There is every reason why we should proceed with the consideration of the works estimates to-night rather than in three or four weeks' time. The members of the Opposition appear to be bent on taking advantage of every opportunity to prevent business from being transacted. They have in some cases extended their speeches over a number of hours, in order to delay business and discredit the Government in the eyes of the country. They are apparently intent upon showing the electors that the Government can do no good, and they are now going to the length of preventing us from revoting moneys for the construction of works which should have been completed last

year. They are denying our artisans and others an opportunity of securing that employment which should be furnished for them at the first opportunity. If the members of the late Government were so anxious to serve the interests of the unfortunate workers, why did they permit works to be delayed to such an extent that it has become necessary to revote £51,000? I think that question demands an answer.

Mr. WILKS.—Has the honorable member the authority of his party for speaking in this way?

Mr. FRAZER.—I have the authority which my conscience gives me for any action that I may take. I am not at the behest of the leader of a band of honorable members who are prepared to prevent other honorable members from freely expressing their opinions. A few weeks ago I had an experience of some members of the Opposition which has made me particularly cautious in my dealings with them. When honorable members can sit on the Opposition benches, and hear every word that is said at the table to an honorable member whose face is turned away from them, they are very clever; and when they tell us that their present action is taken in the best interests of the country, I am not prepared to accept their assurances. I regret exceedingly that the Prime Minister should have seen fit, even at the request of the right honorable member for Balaclava, to postpone this business. We are abandoning one position because there is no precedent for it, and are establishing a much more dangerous precedent, namely, that of paying for works out of the Treasurer's Advance Account. I do not think that the Treasurer's vote should be drawn upon to pay for works for which the appropriations have to be partly revoted. Now is the time for us to express our opinions upon such proposed revotes. I am not pleased with the position, and I am prepared, if honorable members opposite will assist me—

HONORABLE MEMBERS.—No, no.

Mr. FRAZER.—Honorable members are prepared to make private arrangements which may be easily broken, but they are not prepared to enter into a public arrangement with a view to facilitating the business of the country. The Prime Minister has had experience of the "wreckers" who came across from the Opposition benches to defeat him on one occasion, and that should have made him very careful of accepting their plausible assurances. I do

not at all approve of the present position of affairs, and I hope that a majority of honorable members will be in favour of proceeding with the business to-night.

Mr. CONROY (Werriwa).—In that study of the law to which the honorable member for Kalgoorlie is devoting himself with so much praiseworthy zeal, he will find that he will have to be guided by precedent to a very large extent. It is simply because they have stood the test of time that they exist, and any departure from the great principles involved in them is always fraught with much more danger than is an adherence to them. I venture to say that it would be a very bad thing indeed if the House allowed these items of expenditure to pass before the Budget statement had been discussed. Honorable members should recollect that we have now arrived at a very critical stage in the history of the Commonwealth. This year, after paying for the cost of the Commonwealth services, only a surplus of about £460,000 will remain, and out of that we shall probably have to spend £350,000. It will thus be seen that the Commonwealth will have only about £110,000, which it may use for purposes of administration. I wish to point out why we should most carefully scrutinize every proposed increase in expenditure. The sum I have mentioned is so small that it will not enable us to administer very many new Acts, and it is idle to pass enactments if we cannot administer them. In a large territory like Australia I suppose that any Act of importance will cost from £15,000 to £20,000 per annum to administer. Consequently, it is apparent that by the time we pass five or six more statutes we shall have reached the end of our tether. Under such circumstances, I ask honorable members when the Budget debate is resumed upon Tuesday next to recognise that there is one matter of paramount importance, namely, a system of sound finance.

Sir JOHN FORREST.—We have heard that statement before.

Mr. CONROY.—If the Treasurer has heard it before it has fallen upon deaf ears. The more one regards the system of finance the more he must see how intimately it is bound up with the progress of the people. Without a sound system we shall embark upon a career which will bring ruin into thousands of homes, because, after all, it is the great masses of the people for whom we must have regard. We must take care that

the rate of interest upon capital is not increased. By so much as we destroy credit, by so much do we destroy that which is of the greatest aid in the acquisition of wealth. I do trust that in the discussion which will be initiated upon Tuesday next we shall all scrutinize the Estimates of expenditure very carefully, and do our best to cut them down to the lowest point possible consistent with sound administration. In the present instance I think that the Prime Minister is to be commended for the course which he has taken. I am sure that if the honorable member for Kalgoorlie had been present during the sittings of the first Commonwealth Parliament he would have recognised that even his impetuosity, added perhaps to my own, would be quite powerless to coerce a House into doing something of which it does not approve.

Mr. BATCHELOR (Boothby).—I wish to ask the Treasurer whether he can give us any definite idea as to when this matter will again come up for consideration. The Prime Minister has stated that its discussion would be resumed after the right honorable member for Balaclava and two or three others had spoken upon the Budget. Upon the present occasion we had a full day's notice that these Estimates were coming on for consideration, and, although there are some matters in them which will excite no comment, there are others which may provoke discussion. In these circumstances, I ask that the resumption of the debate shall not be sprung upon the House without sufficient notice having been given.

Mr. HUTCHISON (Hindmarsh).—I do not regard the statement of the ex-Treasurer in the same light as does the Prime Minister. I think that the right honorable member for Balaclava gave the Committee the very best reason why we should pass this portion of the Estimates to-night. He assured us that everything is "right as right can be"—so right that the Government could proceed to call for tenders for carrying out the works enumerated in the Bill. Personally, I am of opinion that we have been too long bound by bad precedents. I admit that we ought to scrutinize these Estimates very carefully, but I am sure that if they had contained one item which was open to challenge the Opposition would have found it long ago. The whole of yesterday's sitting was wasted in the discussion of a most trivial matter. If that is an indication of the way in which the work of the session is to be conducted, it is very difficult to hazard an opinion as

to when these Estimates will be passed. If I thought that any important matter of policy was involved in any of the items, I should be the first to advocate delay. But if such a thing could be suggested, I am sure that the watchful deputy leader of the Opposition would have mentioned it ere this. I do think that it is time we endeavoured to do a little more for those persons who at the present time are starving. We have been doing too little for them, and indulging in too much wrangling. In my opinion, we should pass these Estimates, and provide what employment we can for those who are so badly in need of it.

Mr. McCAY (Corinella).—I should like to understand from the Prime Minister whether he intends to proceed with these works before the Budget debate has been concluded.

Mr. DEAKIN.—If the Budget debate is finished within a reasonable time we do not intend to proceed with the larger works, but only with the minor works to which I have referred.

Mr. McCAY.—I see no reason why the Government should not undertake the responsibility of immediately proceeding with the smaller works, for which the plans are ready. Although I am strongly opposed to the proposal to push these Estimates through before the Budget debate has taken place, for reasons which I shall mention in a moment, if I did not know that the practice of the Departments is such that they are not ready to proceed with the bulk of the works, I should be prepared to consider them. But the fact is that the Departments do not begin to get their plans and specifications ready until the passing of the works estimates is assured. When I was Ministerial head of the Defence Department, I was preparing to issue instructions—so far as defence works were concerned—that as soon as the Budget was introduced and the Estimates circulated, the plans and specifications of those works were to be got ready, in order that they might be proceeded with the moment that they were sanctioned. I am perfectly certain, however, that that practice has not been followed in the Departments to any material extent. I am quite sure that the Minister of Home Affairs, so far as he is acquainted with the facts—and it is quite impossible to carry all these details in one's head—will confirm my statement, that there is no substantial readiness to proceed. If the

Departments are instructed to prepare their plans and specifications, and to get their conditions of contract drawn and approved, I am satisfied that long before they are ready to proceed with any material amount of work, the Budget debate will have been concluded, and these Estimates will have been passed. From my own personal knowledge, I feel sure that there will be no delay in providing employment to men outside by the adoption of the course proposed.

Sir JOHN FORREST.—That is not what the officers of the Department tell me.

Mr. McCAY.—I have been endeavouring to draw from the Minister of Home Affairs an interjection as to whether my statement is correct, and his silence impresses me as significant.

Mr. DEAKIN.—I have been assured by the head of his Department that it is ready to spend £4,000 or £5,000.

Mr. McCAY.—That is an infinitesimal amount. I venture to say that there is not £20,000 worth of work out of the £400,000 provided for in these Estimates which is ready to be proceeded with. If the Departments are instructed to prepare their plans and specifications in anticipation of the Estimates being passed, there need not be an hour's delay in providing employment.

Sir JOHN FORREST.—After a long experience, I do not agree with the honorable and learned member.

Mr. McCAY.—One of the reasons why there is such a large amount revoted in this year's Estimates is that the Works Bill was not approved by Parliament till November of last year. While the Treasurer was speaking of these revotes, I took the trouble to run through some of them in the Defence Department, with which I am familiar, and I find that out of £26,000, at least £12,000 is being revoted for reasons utterly apart from the delay which occurred in passing the Bill last year.

Sir JOHN FORREST.—There are two sides even to that question.

Mr. McCAY.—I am not referring to the works at Arthur's Head, Fremantle, but I am referring, amongst other matters, to the North Fremantle forts. It was the difficulties which arose in connexion with the site which occasioned delay in that case.

Sir JOHN FORREST.—There was no difficulty experienced, except in buying the land.

Mr. McCAY.—That is all.

Sir JOHN FORREST.—Why was there so much delay about that?

Mr. McCAY.—If the Treasurer will inquire from the Department of Home Affairs he will obtain very good reasons for the delay which has taken place. There are thousands of pounds in the nature of revotes this year, which have no relation whatever to the time at which the Works Bill was passed last year. I merely rose to say that, so far as I am able to judge from my limited experience as a Minister, there need be no delay in providing employment to persons outside by the adoption of the course which has been agreed to by the Prime Minister, if the Departments are instructed to get their plans and specifications ready in anticipation of the approval of Parliament.

Mr. GROOM.—They have been doing so.

Mr. McCAY.—If these Estimates were passed to-night, I do not think there would be £5,000 worth of work begun within a month from now out of the proposed expenditure of £400,000, quite apart from the fact that a large proportion of that sum will be spent in the purchase of goods ordered upon indent from England. I feel that we ought to thank the Prime Minister for the courtesy with which he readily recognised the reasonableness of the objections that were raised. That recognition casts upon me an obligation to assist the Government so far as I can to pass these Estimates with as little delay as possible as soon as the Budget debate has been concluded. Some questions of vital concern are involved in these Works Estimates. I believe, of course, that those relating to Defence are correct, because they are exactly as I left them on retiring from office. Even an item in respect of which I left a minute suggesting that it should be omitted remains in these Estimates, and the House may consider that it is right that it should. But the whole question of the defence policy of the Government is involved in connexion with the vote for special warlike stores.

Mr. DEAKIN.—It is much the same vote as we have passed before.

Mr. McCAY.—That is so, yet I could, if necessary, show that the whole question of the defence policy of the Government is involved in that item. The Treasurer shakes his head, but he will permit me to hold some opinions at all events on this question.

Sir JOHN FORREST.—We are simply carrying out the scheme.

Mr. McCAY.—Quite so; but there are other matters involved, and it would be very inconvenient to be called upon to discuss the defence policy of Australia piecemeal. I rose only to say that, as the Government have met my views in this matter, I shall do all that I can fairly be asked to do in seeing that, as soon as the Budget debate has been concluded, the Works Estimates are passed with as little delay as possible.

Mr. LONSDALE (New England).—The honorable member for Hindmarsh has lectured the Opposition for the action taken by us in regard to this matter; but the very fact that the Treasurer has consented to the postponement of the Works Estimates shows that we have taken up a justifiable position. If the honorable member for Hindmarsh and his party had been sitting in opposition, and we had been on the Government benches, we should have had very different treatment from that which we have received to-day at their hands. We have simply urged that the Government should adhere to principles that have been recognised for years in all Parliaments. If the course proposed by the Government had been in accordance with the usual procedure, the action of the Opposition would have been censurable; but I feel that we were justified in calling the attention of the House to the fact that it was proposed to make a distinct departure from the usual custom. I am pleased that the Treasurer has given way, and shall do all that I can to help him to pass these Estimates as soon as we have dealt with the Budget.

Progress reported.

## MANUFACTURES ENCOURAGEMENT BILL (No. 2).

### SECOND READING.

Debate resumed from 23rd August (*vide* page 1383), on motion by Sir WILLIAM LYNE—

That the Bill be now read a second time.

Mr. JOHNSON (Lang).—When the debate was interrupted on Tuesday evening, I was pointing out that the sum of £250,000, proposed to be given by way of bonuses under this Bill for the encouragement of the iron industry, would be expended chiefly in the interests of an English syndicate. That statement was repudiated by the Minister of Trade and Customs, who said that, as a matter of fact, all

the money required for the works would be raised in Australia. During the interval I have had an opportunity to examine the evidence given before the Royal Commission on the Bonuses for Manufactures Bill, and find that my statement was absolutely correct. I do not propose to read Mr. Darby's report bearing on this point unless it is the desire of the House that I should do so; but I am in receipt of a copy of the *Trustees and Investors' Review* for August, in which reference is made to this very question. It clearly shows that this money is not going to be raised in Australia, but will really benefit an English syndicate. I specially commend the article to those who hold opinions similar to those entertained by the honorable member for Melbourne Ports. The *Trustees and Investors' Review* is published purely in the interests of financiers, and those having funds to invest; it regards such schemes as this purely from a commercial stand-point, and it is, therefore, interesting to note that in dealing with this question it sets forth that—

The evidence of Mr. Jamieson shows that the deposit was thoroughly examined by an English expert, Mr. Darby, managing director of the Brymbo Steel Works, in England, who reported on behalf of English capitalists—

Not Australian capitalists—

who were prepared to find capital for establishing iron and steel works if the inquiry proved satisfactory.

Mr. WILKINSON.—Who is the author of the article?

Mr. JOHNSON.—I can only say that this is a well-known publication. The article continues—

Mr. Darby's report evidently satisfied his principals—

Not his Australian principals, but English principals who sent him to Australia in their interests, and paid his expenses—

as, according to Mr. Jamieson's evidence, they were prepared to find capital to the extent of £1,100,000, provided the bonus named in the Bill were provided, or a 15 per cent. duty were imposed. The evidence of Mr. Jamieson proved beyond a doubt that the industry can be established by the encouragement proposed if other intolerable conditions are not imposed.

I call the attention of honorable members to the concluding words of the last sentence, and propose later on to show that the "other intolerable conditions" to which the writer refers are really the socialistic provisions of this Bill. I venture to assert that if those provisions be passed, English

capitalists will not be prepared to invest their money in the industry. They will not be prepared to make an investment which it is said by the advocates of this bonus will be attended with such beneficial results to the workers of Australia. It must be remembered that such publications as the *Trustees and Investors' Review* are issued with the object of influencing investors, and that statements appearing in them must, from a financial point of view, bear some semblance of authority. In the opinion of the writer of the article from which I have quoted, the passing of the socialistic provisions of this Bill will have a very injurious effect upon British investors. We must recognise, apart from the statement of the writer himself, that such must be the case. If such stringent conditions are imposed, English capitalists will not even touch the scheme.

MR. CHANTER.—What were Mr. Darby's objections?

MR. JOHNSON.—I am perfectly willing to read Mr. Darby's report if honorable members desire me to do so. I have refrained from quoting it, simply because I do not wish to occupy too much of the time of the House, and because, also, of my desire to carry out an implied promise to the Prime Minister that in view of the concession which he extended to me last night in allowing the debate to be adjourned, I should curtail my remarks as much as possible. I certainly intend to do so if I am permitted to proceed without undue interruption. When dealing with this Bill on Tuesday evening, I referred to one aspect of it which, to my mind, is a very serious one. I pointed out that although it is proposed that the payment of the bonuses under the Bill shall be limited to a certain period, we have the evidence of those who expect to reap the benefit of the bonus system that at the expiration of that period, they will ask either for the continuance of the system, or for the imposition of a duty. It will thus be seen that the Bill before us involves something more than an expenditure of £250,000. It means either the continuance of the bonus system after the time limit fixed by the Bill has expired, or the imposition of a higher duty. I have already quoted evidence in support of this contention. I have shown that Mr. Sandford and others stated, when before the Commission, that if the bonus system were not continued for a further period, or an

equivalent duty imposed, the industry would have to be abandoned. That being the case, we are simply asked to throw away £250,000. In any event, that must be the result of the passing of this measure, because the Commonwealth itself will not derive a benefit, even to the extent of one farthing, from the proposed expenditure. Every penny will go to the enrichment of a private syndicate. There is no getting away from that fact. We may seek to gloss it over as we will, but the bald truth remains that this expenditure will serve no national or public purpose, and is designed solely for private gain. If honorable members turn to page 52 of the report of the Royal Commission, they will find what Mr. Jamieson said would be the position when the bonuses provided for in this Bill cease. He was asked by Mr. Winter Cooke—

Why do you want protection if things are still coming all the same?

It is a very material point that notwithstanding that bonuses are to be given for the encouragement of the iron industry, iron manufactures are to come in as before. Mr. Jamieson admitted that for years to come, many iron products in the form of manufactures will continue to be imported. Let me read some further questions which were put to him on the point—

1079. The duty you ask for is merely an estimate?—Yes.

1080. Then it may be found that this guesswork of 12½ or 15 per cent. is not sufficient?—I would not call it mere guesswork. Men, before they were prepared to put down their money, sent out an experienced man to get the necessary data. That gentleman was introduced to this country merely as a nominee of others at home. We had the paying of his accounts, but he was nominated by those at home as the man who could give them the best opinion.

1081. We are aware that the estimate was carefully made; but, the industry having been established, if the estimate were proved to be wrong, what would happen—an application for more duty?—In going into a business of this description, or any new business, you cannot make a dead certainty; you have to run risks. What you mean is that there is a possibility we might ask for more duty.

1082. That has been the experience in Victoria, at all events?—That may be; but I cannot look into the future.

1083. That is a danger I wish to point out?—Then the best thing would be to make the duty 20 per cent. at once.

So that the voracious promoters of this syndicate want not only a bonus but concurrently a protective duty of 20 per cent. The protectionists who support this pro-

posal, in the belief that it will immediately benefit the local manufacturers of iron and steel goods, will be greatly deceived.

Mr. FULLER.—I desire to call attention to the state of the House. [*Quorum formed.*]

Mr. JOHNSON.—In this connexion I should like to read the following evidence—

1075. How long do you think it would take before the company would be able to supply Australia with all the iron required?—We should expect to be able to supply half, or perhaps a little less than half, within two or three years from the time the works were finished.

1076. In the meantime, in regard to the other half, the consumer would be paying more for his iron than he would pay if there was no duty?

Mr. Jamieson fenced that question. He replied—

I would not say that. I should not think that he would. It is rather an intricate business.

He went on to say—

We propose to produce only certain classes, such as pig-iron and steel rails. All other classes of machinery, or special finished articles, will very likely be made abroad for many years to come.

Mr. FULLER.—I desire to draw your attention, Mr. Speaker, to the fact that there is not a quorum present in the Chamber. [*Quorum formed.*]

Mr. JOHNSON.—I wish now to deal with the question of the cost of production, and I think that I shall save time by at once directing the attention of honorable members to the evidence taken by the Royal Commission on the point. It is worthy of note that Mr. Jamieson, who was questioned very closely in regard to this matter, displayed great unwillingness to give the Commission any information about it.

Mr. FULLER.—I desire to draw attention to the state of the House. [*Quorum formed.*]

Mr. JOHNSON.—The other night I stated that Mr. Sandford has estimated the cost of producing iron in Australia at something under 35s. per ton; but, as doubt was cast on that statement, I shall read his evidence on that subject.

Mr. FULLER.—I desire to draw attention to the state of the House. [*Quorum formed.*]

Mr. JOHNSON. — This is what Mr. Sandford said in reply to question 1126—

Mr. FULLER.—I desire to again draw your attention, Mr. Speaker, to the state of the House. There are not twenty-five members present.

Mr. SPEAKER.—There are twenty-five, including myself.

Mr. JOHNSON. — Mr. Sandford was asked if he had formed any estimate as to the cost of producing iron at Lithgow, and he replied that he had.

Mr. FULLER.—I call attention to the state of the House. [*Quorum formed.*]

Mr. JOHNSON.—Mr. Sandford was then asked question 1127—

Are you prepared to reply to a question as to what your estimate of the cost is?

To that question he replied—

Yes, I am. After supplying modern blast furnaces, thoroughly well equipped, and every necessary appliance, from material already secured in the shape of the iron ore, coal, and limestone, pig-iron could be produced at Lithgow for under 35s. per ton.

Mr. FULLER. — I call attention to the state of the House. [*Quorum formed.*]

Mr. JOHNSON.—I have already said that this estimate took into account the fact that Australian labour is dearer than that employed in connexion with the manufacture of imported iron. Let me read some more of Mr. Sandford's evidence—

1128. That, of course, would be a rate which would enable you to compete with foreign competition?—Yes. I may say that I formed my judgment in part from the action taken by a member of the Commission when Minister for Mines in New South Wales, in appointing Mr. Jacquet to inquire into the question. Mr. Joseph Cook has, in my opinion, done as much or more than any other man in New South Wales in connexion with this matter by appointing an expert like Mr. Jacquet to see what we have in Australia. Mr. Jacquet's conclusions were confirmed by Mr. Enoch James, and I may say that when Mr. Enoch James was here we had over a dozen applications outside of known properties from people willing to supply us with ore, showing that the industry only wants to be set going for the manufacture of pig-iron, to have a number of works started in Australia. The best thing ever done for the iron industry of Australia was what was done by Mr. Joseph Cook. It was action anticipating the next best thing to do, and it was done.

1129. By Mr. McCay.—I am not quite sure that I understand what you mean when you say that pig-iron could be produced at Lithgow for under 35s. per ton. Is that taking everything into account?—I give that as an estimate of the net cost at Lithgow.

Mr. MAUGER.—We have read all this.

Mr. JOHNSON.—I am reading it for the information of those who have not

done so. The honorable member does not wish to hear it, because it breaks down his case. This evidence is of importance as showing that there is no justification for granting a bonus of even one penny. I propose to quote the evidence of experts on this head, whether the honorable member wishes to hear it or not. Mr. Sandford was asked, in regard to his estimate—

Is that taking everything into account?

To which he replied—

I give that as an estimate of the net cost at Lithgow.

When I stated the other night that that estimate had been given by Mr. Sandford, the Minister of Trade and Customs said that it was incorrect, because it had been framed on a wrong basis, and that it did not agree with the estimate of Mr. Sandford's manager.

Mr. MAUGER.—Mr. Sandford himself has contradicted that statement.

Mr. JOHNSON.—He cannot contradict his sworn evidence given before the Commission, and repeated time after time. Mr. Sandford did not rely entirely upon his own calculations, but, at the cost of £1,000, enlisted the services of Mr. Enoch James, an eminent expert in such matters, who made a most minute investigation of the whole subject. It was upon the results of his calculations that Mr. Sandford based his estimates.

Mr. MAUGER.—On several occasions Mr. Sandford has qualified his original statement.

Mr. JOHNSON.—We cannot go behind his sworn evidence before the Royal Commission, which is based upon the calculations made by Mr. Enoch James.

Mr. AUSTIN CHAPMAN.—The honorable member, of course, knows that the price quoted by Mr. Sandford was net, and that other charges, which he has given in detail, brings the actual cost up to 6s. per ton.

Mr. JOHNSON.—Why was not that stated at the time? Mr. Sandford had many opportunities to amplify his original statement, and we are justified in assuming that he put forward his case in the most favorable light possible.

Mr. McCAY.—Mr. Sandford was in a state of high excitement when he gave the answer to which the honorable member is referring. He certainly was not as collected as a witness ought to be who was giving important evidence of that kind.

Mr. JOHNSON.—But Mr. Sandford's estimate was based upon the calculations made by Mr. Enoch James, and it cannot be urged that Mr. James, as well as Mr. Sandford, was excited. Mr. Sandford cannot shelter himself behind any such excuse now that he finds that the estimate he put forward is not serving his purpose.

Mr. MAUGER.—Surely the honorable member would not take advantage of an admitted mistake.

Mr. JOHNSON.—I take my stand on the evidence given before the Commission.

Mr. GROOM.—Yes, but surely the honorable member will accept Mr. Sandford's statement that he made a mistake.

Mr. JOHNSON.—I have never seen any denial by Mr. Sandford of his first estimate.

Mr. CHANTER.—He has published it in the press.

Mr. JOHNSON.—Even allowing that a mistake may have been made, there would still be sufficient margin of profit to the local manufacturer. We know perfectly well that when gentlemen engaged in commercial enterprises, such as that contemplated under the Bill, see an opportunity of obtaining a present of a large sum of money for which they are not expected to give anything in return, they will do everything in their power to improve their chances. I do not blame them, but I think the conduct of the representatives of the people who are prepared to give them such a present is in the last degree reprehensible.

Mr. FULLER.—I desire to direct attention to the State of the House. (*Quorum formed.*)

Mr. JOHNSON.—I desire to make a comparison between the cost of production of pig iron in New South Wales, and the price of the imported product. According to Mr. Jamieson, imported pig iron costs from £3 15s. to £5 5s. per ton—the price varies—and, according to Mr. W. A. Robertson, the cost ranges from £4 10s. to £5 5s. per ton, and if those prices be correct, a very large margin of natural protection would be enjoyed by the local manufacturer.

Mr. FULLER.—I desire to call attention to the state of the House.

Mr. SPEAKER. — There is a quorum present; the honorable member may proceed.

Mr. JOHNSON. — Mr. Sandford estimates that pig iron can be produced at



Lithgow for £1 15s. per ton. If the freight to Sydney, 10s. 6d. per ton, be added to that price, the cost landed in Sydney will amount to £2 5s. 6d. That price compared with the cost of imported pig iron would give the local manufacturer an advantage of £2 4s. 6d. per ton, which would amount to protection at the rate of over 50 per cent. Surely that ought to be sufficient to encourage any local manufacturer. The truth of the matter is that the bonus is looked upon in the light of a present. That is shown by the evidence given by Mr. W. A. Robertson, who at page 138 of the report of the Commission, question 2895, was asked—

2895. If you got a bonus, you would still want a duty?—Now that the bonus has been offered, we should certainly desire it. To ask us now to do without a bonus would be like offering a man a present and then taking it away.

Mr. MAUGER.—That is merely verbiage.

Mr. JOHNSON.—That statement bears out my contention that this bonus is regarded as a present. Honorable members are practically proposing to make a present of £250,000 of the taxpayers' money to an English syndicate. For what purpose? To benefit Australia? Not in the slightest degree. The payment of that money to the proposed company would not benefit a single man, woman, or child in Australia. It will swell the profits of a rich English syndicate, which, on the face of the evidence of their own experts, have a splendid property from which they could derive high returns without the assistance of any grant from the Commonwealth. There is a very peculiar feature about the shares in this company. We find that they have practically no market value at present. They are supposed to be worth 2s. 6d. each, but it is expected that, if the bonus be granted, their value will be increased to £1 each. I do not propose to deal with this aspect of the matter at any greater length, because the ground has already been covered by the honorable member for New England. I wish now to refer to some of the provisions of the Bill. Clause 4 reads as follows:—

Where the rate of bounty is fixed on the value of the goods, their value shall be taken to be the same as the value of imported goods of the like kind and quality as ascertained for the purposes of Customs duties.

This clause will require to be very carefully considered, because we must not have a repetition of the experience through which we have passed in connexion with the imported harvesters, the values of which were

artificially inflated by the Minister on the recommendation of his officers.

Mr. HUME COOK.—The honorable member knows that the Minister had very good authority for his action.

Mr. JOHNSON.—I know that neither the Minister nor his officers had any warrant for what they did, on the evidence of the papers in the case laid on the library table, and we should be careful not to leave the door open for similar action on their part in regard to the valuation of imported iron goods. Clauses 5 and 6 read as follows:—

The total amount of the bounties authorized to be paid in respect of any particular class of goods shall not exceed the amount set out in the third column of the schedule opposite the description of that class of goods.

No bounty shall be authorized to be paid on—

- (a) Pig-iron, puddled bar-iron, or steel, made after the first day of January, One thousand nine hundred and eleven;
- (b) Galvanized iron, wire netting, or iron or steel pipes or tubes, made after the first day of January, One thousand nine hundred and nine;
- (c) Reapers and binders made after the first day of July, One thousand nine hundred and seven.

I have already pointed out that the evidence of men who are interested in the establishment of this industry shows the absolute farce of imposing a time limit within which the bonus shall operate. We know perfectly well that when the bonus is about to expire, an agitation will be raised for its continuance, in order to protect what will be termed a "languishing" industry. Is not that the experience of every enterprise which has received artificial aid from the Treasury? Is it not our own experience in connexion with the sugar bounty? In that connexion, do we not find that long before the period during which the bounty is to operate has expired, an agitation has been created for its continuance, and did not the Government indicate in the Treasurer's Budget speech that they intend to make provision upon the Estimates for an extension of that period? What has happened in the case of the sugar bounty will occur in the case of the iron bonus. It is a perfect farce to insert a clause of that character when we know perfectly well, from the evidence of the very men who will receive this bonus, that it will require to be continued.

Mr. SALMON.—That did not happen in Victoria.

Mr. JOHNSON.—The honorable member must know that we are being asked to pass a provision which the evidence before the Iron Bonus Commission shows will not have the desired effect. Where, I ask, is this system of bonuses going to end? Only last session, the present Minister of Home Affairs proposed that a bonus should be granted to the cotton industry. Thus we shall establish a precedent for supporting any industry which likes to set up a claim for adventitious aid. I say that if we are going to grant a bonus to any industry we must grant bonuses to all. Why should we favour one industry at the expense of others? It is a scandal and a perversion of the powers of Legislature to convert public money to purposes of this kind. Coming to clause 8, I find it provides that—

All bounties in respect of pig-iron, puddled bar-iron, or steel, shall be granted on the condition that the manufacturer shall, if required, transfer as hereinafter provided the land\*, buildings, plant, machinery, appliances, and material used in the manufacture of the goods.

There we see the first indication of an attempt on the part of the Government to bend its will to the socialistic ideas of its supporters in the Ministerial corner. That is amplified in the next clause, which states that—

The person claiming any bounty shall, before receiving the same or the first instalment thereof, give his bond to the Commonwealth, in the sum of the aggregate amount of bounty which he may thereafter receive (hereinafter called the secured amount), conditioned to be void if he fulfils all the following conditions:—

- (a) to pay to the workmen and employes employed in the manufacture of the goods the rate of wages fixed as hereinafter provided, or, if no rate is so fixed, the highest wages usually paid in the State to workmen and employes doing similar work; and

Mr. FULLER.—I beg to call attention to the state of the House.

Mr. CROUCH.—Upon a point of order, may I direct your attention, sir, to standing order No. 59, which provides that any member who is guilty of persistently and wilfully obstructing the business of the House shall be dealt with in a certain way. I submit that the honorable and learned member for Illawarra, by calling attention to the state of the House so frequently, without cause, is obstructing the business of the Chamber. He has called attention to the state of the House when there is a quorum present, and I submit that it is time for you to take action.

Mr. SPEAKER.—If the honorable and learned member for Illawarra calls attention to the state of the House when there is no quorum present there is no more to be said, but I hope that he will not again call attention to the state of the House when there is a quorum present, and so interrupt business in so serious a way as he has done.

Mr. FULLER.—I object entirely, sir, to your statement that I am acting in the way that you suggest.

Mr. SPEAKER.—Does the honorable and learned member rise to a point of order?

Mr. FULLER.—Yes; I submit that I am entitled, as a member of the House, to call attention to the state of the House at any time I think fit.

Mr. SPEAKER.—The honorable and learned member is entitled to call attention to the state of the House when he has reason to believe that there is not a quorum present. But he has again and again called attention to it when a quorum has been present. If the honorable member, who is addressing the Chair is to be continually interrupted by the honorable and learned member calling attention to the state of the House, and necessitating a count of the House, I think he will admit that he is committing a breach of the orders which affect the conduct of business.

Mr. FULLER.—I submit that upon the six or seven occasions when I called attention to the state of the House, you, sir, have ordered the bells to be rung.

Mr. SPEAKER.—If the honorable and learned member desires to raise a point of order he is at liberty to do so. If he desires to dissent from my ruling, he is at liberty to move in that direction. But otherwise I must ask the honorable member for Lang to proceed with his speech.

Mr. JOHNSON.—I venture to say that paragraph *a* of clause 9 contains the only good feature which is to be found in this Bill. I refer to the attempt which is being made to preserve a high rate of wages. But, unfortunately for the possible success of the measure, that very clause is one of those which will operate prejudicially to the successful flotation of this company upon the London market, that is, if the writer in the *Trustees and Investors' Review* is

correct in his surmise. In referring to this measure he says—

The new provisions in the Bill are evidently for the encouragement of manufacture by a State as against private enterprise. It cannot be expected that capitalists will look at the industry which is not to be under their control, but under the control of the President of the Commonwealth Court of Conciliation. The Government evidently regard themselves as partners in the business by providing a bonus, and desire to actively interfere in the management. The fixing of wages by the Arbitration Court is no new power, it already exists in case of dispute between employer and employé, where unions are formed. The fixing of prices, at which the manufactured article is to be sold, however, is an unnecessary and undue interference in the business, particularly as no steps have been taken to secure the home market.

So that the view taken by an expert financial writer is that capitalists will not feel very keen about investing their money in this particular venture if socialistic restrictions and conditions are embodied in the Bill. Clause 9 continues—

Neither directly nor indirectly to sell or cause to be sold any of the goods in respect of which bounty is paid at a price higher than that fixed as hereinafter provided; and

(c) in the case of a bounty in respect of pig-iron, puddled bar-iron, or steel, to transfer to the State in which the goods are manufactured all lands, buildings, premises, machinery, plant, and equipment of any kind, used in or in connexion with the manufacture of the goods, if so required by the Governor of the State, within months after the date of expiry of the bounty with respect to that class of goods; such transfer to be in consideration of fair compensation for the property transferred, to be assessed, in case of dispute, by the President of the Commonwealth Court of Conciliation and Arbitration, whose determination shall be final and conclusive, and without appeal.

I submit that that is a most extraordinary provision. We are asked in the first place to make a free grant of £250,000 to this English syndicate, and within six months after the bonus has expired—not during its continuance—the Government may purchase the property which has been established as the result of the Commonwealth Government subsidy.

Mr. AUSTIN CHAPMAN.—It is quite optional whether we do that or not.

Mr. JOHNSON.—The State Government may purchase the industry if it is required by the State. The State is to pay compensation, so that the taxpayer will again be called upon to hand over a large additional sum of money to this already heavily subsidized English syndicate. I say that the proposal is monstrous and utterly indefensible.

Mr. FULLER.—I desire to call attention to the state of the House. There is no quorum present now. [*Quorum formed.*]

Mr. JOHNSON.—Further, I find that the President of the Conciliation and Arbitration Court is to be the sole judge of the amount of compensation which is to be paid. I do not wish to dwell upon this point, because it has been amplified by the leader of the Opposition, and by the honorable member for New England. I merely wish to say that to me it appears extraordinary that no provision is made for expert evidence upon which to base a valuation. The President of the Arbitration Court is to be the sole arbiter. I think that we are asking too much of His Honor when we expect him to be familiar with all the details of such an immense industry as this. Clause 10 provides—

The Minister may at any time, but not oftener than once in six months, refer to the Commonwealth Court of Conciliation and Arbitration the question of fair wages to be paid, or fair price to be charged, as in the last preceding section mentioned; and his determination shall be final and conclusive, and without appeal.

The President of the Arbitration Court is to be placed in a position which I think he cannot reasonably be expected to occupy without provision being made for expert assistance. There are other clauses in the Bill which, under other circumstances, I should criticise, but upon which I shall defer comment until the measure reaches the Committee stage, when I propose to offer the strongest opposition to the Bill. Before resuming my seat, I wish to read two or three clauses from a report signed by six members of the Royal Commission on the evidence submitted. As the House is aware, there were twelve members of this Commission, and six reported in favour of the bonus system, and six against it, the only difference being that the Chairman was among those who signed the report in favour of the Government proposal. As a protectionist he gave his casting vote in support of the bonus system. I have no objection to offer to the adoption of that course by the right honorable gentleman in question. No doubt he formed his conclusion on the evidence submitted to the Commission, but, amongst those who signed the dissenting report, was the leader of the Labour Party, who is a protectionist.

Mr. CROUCH.—The honorable member will find the name of a free-trader appended to the majority report.

Mr. JOHNSON.—I am aware that the late Sir Edward Braddon signed that report, but the position is not materially affected by that fact. Paragraph 3 of the dissenting report reads as follows:—

The Bill provides for the payment of £324,000—

The Bill now before us provides for the payment of only £304,000, a sum of £20,000 having been deducted in respect of the bonus originally proposed to be paid for the production of spelter—

of the people's money to private individuals engaged in an enterprise for their private gain.

For their private gain be it understood—

There can be no guarantee that the bonuses proposed would permanently establish the industry, though it is probable the inducements offered might be instrumental in forming speculative companies.

4. One of the witnesses, Mr. Sandford, managing director of the Eskbank Iron Works, New South Wales, stated that he had made an agreement with an English syndicate to spend £250,000 in extending the Lithgow works if the Bill passed.

Honorable members will observe that that is just about the amount proposed to be given by way of bonuses for the establishment of the iron industry—

In answer to another question, Mr. Sandford said that to make pig-iron he wanted a plant involving an expenditure of from £100,000 to £125,000. This estimate is less than half the sum proposed to be paid in bonuses.

In other words, it is proposed that the Commonwealth Parliament shall agree to the payment of bonuses aggregating twice the amount to be expended in the direction of plant and buildings.

Mr. AUSTIN CHAPMAN.—Mr. Sandford has a large plant at Lithgow at the present time.

Mr. JOHNSON.—I am aware of that, but the English syndicate will in all probability so arrange matters that he will not derive much benefit from this measure. I shall now read what the report has to say as to the experience of Canada in this regard. But for the promise I gave the Prime Minister last night, that I would curtail my remarks, I should have dealt fully with the experience of Canada in connexion with the bonus system but in the circumstances, shall do no more than refer to what the report has to say on this phase of the question—

The Canadian experience is not encouraging. The bonus system for iron production was first instituted there in 1883. Subsequently a Bill was passed, in 1897, further continuing the system.

The payment of the bonuses was limited to a certain period, but at its expiration a demand was made for the continuance of the system. We may expect the same thing to happen in Australia, if this Bill be carried—

Another Bill was carried in 1899 providing for the diminution of the bounties by a sliding scale expiring in 1907. In July of this year the Dominion Government decided to postpone the operation of this sliding scale for one year, which practically means a further increase in the bounties paid.

I think that it is our duty to carefully consider the statements made in this report, based as they are upon evidence submitted to the Commission. We have a right to ask ourselves whether the experience of Canada is not likely to be the experience of Australia? Do we not know that, as a matter of fact, it will be our experience, if we pass this Bill?

Mr. STORRER.—How do we know anything of the kind?

Mr. JOHNSON.—We know that it is only human nature for one to seek to get as much as possible at all times. When there is a chance of gaining more by simply asking for it, these people are not likely to remain in the background. In clause 6 of the report, we have the following statement:—

Nearly all the witnesses examined before the Commission agreed that the payment of bonuses would be useless unless followed by a duty. Experience shows that if the payment of bonuses be commenced the liability of the Commonwealth will not be limited to the sum proposed under the Bill, but that further Government aid will be sought.

This bears out what I have contended from the first. Paragraph 7 reads—

The evidence failed to show that there was any commercial necessity for the bonuses proposed. Mr. Sandford said he could produce pig iron at Lithgow under 35s. a ton. Allowing for freight to Sydney, Melbourne, and other parts of the Commonwealth, he could, on this showing, compete favorably with any imported pig iron. Other witnesses, who, however, had less experience than Mr. Sandford, doubted the correctness of his estimate of cost.

Mr. AUSTIN CHAPMAN.—The honorable member is quoting from the report signed by those who are opposed to the principle.

Mr. JOHNSON.—I am quoting from a report which was signed by the leader of the Labour Party, a prominent protectionist, amongst others.

Mr. AUSTIN CHAPMAN.—The minority report.

Mr. JOHNSON.—It cannot truthfully be called a minority report when it is signed by six of the twelve members of the Commission. The report continues—

But, on the supposition of his having made an under estimate, he would still, even without a bonus, be in an excellent position as compared with the imported commodity.

I have already shown that this is the position by comparing the price quoted by experts with that which was submitted even on the amended basis of 61s. per ton. Clause 8 of the report reads—

No effort was made to bring forward witnesses against the Bill. Notwithstanding that fact, the evidence given failed to establish a case in its favour. Several witnesses thought the establishment of ironworks in the Commonwealth premature, and much of the evidence was strongly against any attempt by the Government to establish the iron industry by the payment of bonuses. It will thus be seen that the case for the granting of bonuses broke down on the evidence, not of those who were opposed to the principle, but of those who favored it, and came forward to give reasons for its adoption. I desire to say, in conclusion, that I regard this Bill as a most impudent and barefaced attempt to use the public Treasury for the purpose of enriching a private syndicate. I shall use every legitimate means in my power to oppose the Bill line by line when it reaches the Committee stage. It is really one of those measures that ought to be submitted to a Select Committee. I do not know whether the Government are prepared to adopt that course, but they certainly ought to do so. There are many other points with which I had originally intended to deal, but, in compliance with the promise I made to the Prime Minister last night that I should endeavour to complete my speech within an hour, I do not propose to further discuss the question at the present stage. I have only to repeat that I shall do all that I can to oppose the granting of these bonuses, when the Bill reaches the Committee stage.

Mr. FULLER (Illawarra).—In view of the fact that it is now 10.15 p.m., I think it only reasonable to ask the Government to agree to the adjournment of the debate.

Mr. AUSTIN CHAPMAN.—Not yet.

Mr. FULLER.—Then I am prepared to proceed. In submitting the Bill to the House the Minister of Trade and Customs said he was not responsible for its drafting. We know that it was prepared by the Government draftsman, but we must certainly hold the Minister responsible for the principles which it embodies.

Mr. AUSTIN CHAPMAN. — Hear, hear—and very good principles they are.

Mr. FULLER. — They might be very good principles if they were dealt with in separate measures, but they have been crowded into one Bill for a special purpose. The Bill is really a double-barrelled one. In the first place, it provides for the granting of bonuses—the desire of the Government being to placate those who, like the honorable member for Melbourne Ports, are staunch protectionists, and believe in the system—while in the second it embodies certain conditions as to the ultimate nationalization of the industry that are calculated to satisfy the socialistic party and their supporters. I should like to point out to the honorable member for Melbourne Ports, who approves of this Bill, that when we were discussing it twelve or eighteen months ago, he asserted that he was in favour of the nationalization of the iron industry of Australia.

Mr. MAUGER.—I am now, if I can secure its nationalization.

Mr. FULLER.—My strong objection to the Bill is that the Ministry, who are now the servile and subservient supporters of the socialistic party in this House, have not only made provision for the payment of bonuses, but have inserted certain clauses in the Bill for the nationalization of the industry, in order to meet the wishes of that party. Notwithstanding the strong way in which he spoke on this matter some time ago, the Prime Minister, who is now the slave of those on the cross benches, has provided in clause 9 for the nationalization of the industry. Why has he not made a straightforward proposal in that direction, if he believes in this step?

Mr. MAUGER.—I made the same proposal three years ago, when the first Bill was before this House.

Mr. FULLER.—If the honorable member believes in the nationalization of the industry, why does he not insist upon the Ministry proposing it straight out? I believe in neither the granting of a bonus nor the nationalization of the industry, but if I were compelled to vote for one of the two I would vote for the latter. What I say now is exactly on all-fours with what I said when the measure was last before the House.

Mr. AUSTIN CHAPMAN.—The honorable and learned member's leader once declared for the granting of bonuses.

Mr. FULLER.—I am not to be intimidated by that statement. I speak on my own responsibility, and stand here as an independent member, to represent the interests of my constituents. That has been my attitude ever since I entered the House. Provision is made for the resumption, under the order of the Governor of a State, of the ironworks which may be successfully established by means of the bonus. That will be a nice little business for Mr. Justice O'Connor, as President of the Arbitration Court of Australia, to adjust, though whether he will be able to give satisfaction to those connected with the industry, and to convince the members of this Parliament that the arrangement is in the interests of the Commonwealth, is a question which can be answered only in the future. In inserting this provision in the Bill, the Government are showing a most servile obedience to the cross benches, the like of which has never been shown by any previous Administration which has held office in Australia. The Barton Administration, in which some of the members of this Government were Ministers, afforded us instances of subservience and servility, but their "Yes, Mr. Watson," was a small thing to the "Yes, Mr. Watson" of this Government in connexion with the Bill now before us. Those who had the honour to be members of the Iron Bonus Commission know the strong opposition which was shown by the leader of the Labour Party to the granting of a bonus to private persons.

Mr. MAUGER.—They also know the strong position taken in regard to the matter by the first Minister of Trade and Customs, who is as great a radical as there is in Australia.

Mr. FULLER.—He was so strong a radical in connexion with this matter, so strong a believer in the principle of one man one vote, that he himself took two votes in order that a favorable report might be published.

Mr. MAUGER.—He used his casting vote as chairman. It was the only thing he could do.

Mr. FULLER.—The members of the Commission numbered twelve, including the chairman, six being in favour of the granting of the bonus, and six being against it, and the result of the action of this great radical in exercising his right to cast two votes, while his fellow members had only one, was that he was able to present a majority report in favour of the granting of bonuses.

Mr. MAUGER.—What was the chairman for, if not for that purpose? What is the good of a chairman if he is not to have a casting vote?

Mr. FULLER.—I have too high an opinion of the right honorable member for Adelaide to think that he would consent to act in that way to carry out the wishes of others, and it was an insult for the honorable member to say of him, "What is the use of a man being chairman of a Commission if he will not do this sort of thing to suit his party?"

Mr. MAUGER.—I did not say anything like that.

Mr. FULLER.—That is what the honorable member insinuated.

Mr. MAUGER.—No.

Mr. FULLER.—Then, I withdraw my remark. I opposed this proposal when it was previously before the House, and I do not intend to reiterate the arguments which I then used. They are on record in *Hansard*, and I am prepared to stand by them; but I was very much struck on that occasion by a remarkable statement which was made by an honorable member of the Labour Party, to whose word I attach a good deal of weight—the honorable member for Darling. In speaking in opposition to the Manufactures Encouragement Bill, then before the House, the honorable member used the following expressions, which are to be found recorded at page 13532 of the *Hansard* of the first session—

I am satisfied that if we leave the production of iron to private enterprise our action will result in the establishment of a monopoly, and all monopolies are bad.

No attempt was made to refute the arguments used by the honorable member. He further stated—

I shall never be found voting the money of the taxpayers of Australia for the boosting of a private firm to enable it to pay enormous dividends.

I should like to direct the attention of every honorable member to that statement. Setting on one side the clauses of the Bill relating to the nationalization of the industry, are not the whole of its provisions intended to hand over the money of the taxpayers to a private firm, to enable it to establish a monopoly in Australia, and to pay huge dividends at the expense of the Commonwealth? If that it not its object, I should like the Minister in charge of the Bill to explain what it is. I think that the Minister in charge of the Bill should be present.

Mr. KELLY.—I rise to a point of order. I think that a larger number of honorable members should be present. [*Quorum formed.*]

Mr. FULLER.—I was referring to the fact that the Minister in charge of this Bill is not present, and I was also about to express my regret that the leader of the Labour Party is also absent. No one is more sorry than I am that ill-health should prevent the honorable member for Bland from attending here, and no one more cordially wishes to see him restored to his usual robust health and back in his old place. At the same time, when an important matter of public policy is being launched we are entitled to know what the great Labour Party intends to do, and to expect that the deputy leader of that party will make a pronouncement.

Mr. THOMAS.—What is the difference between giving a bonus here and granting it to a shipping company?

Mr. FULLER.—So far as I am personally concerned, I have never been a party to granting a bonus to a shipping company. I understand, however, that the honorable member for Barrier and the honorable member for Melbourne Ports are both prepared to support the extension of the period over which the sugar bonuses are to be paid.

Mr. MAUGER.—I am.

Mr. FULLER.—Then I stand in direct opposition to the honorable member, because I shall vote directly against any such proposal. I would ask the honorable member for Barrier whether he intends to vote for this measure, which is designed to put money into the pockets of private speculators, or whether he is in favour of nationalizing the industry?

Mr. THOMAS.—I believe in nationalizing the industry.

Mr. FULLER.—I presume that there is not a man in this country who would not desire to see the iron industry established in our midst, but there are the strongest possible objections to the granting of a bonus under the conditions now proposed. I had the honour of taking part in the inquiry conducted by the Iron Bonus Commission, and, in common with my colleagues on that Commission, I gained a large amount of knowledge, such as would not be available to honorable members in the ordinary course of their experience. I venture to say that, however clever a man may be, he cannot when reading over evidence in connexion with a technical matter such as this,

form anything like a correct idea of its value without having seen the witnesses. A large mass of evidence was taken by the Commission, the value of which no honorable member of this House—apart from those who had the honour of being Commissioners—and no man in this country, can accurately estimate. In cold type that evidence conveys a very different impression from that which was left upon the minds of the Commissioners when it was given by the witnesses who appeared before them. What I am now saying applies equally to the testimony taken before any Commission. We all know what human nature is. I believe that if this Bill be passed, a great injustice will be done to the taxpayers of Australia, because a few private individuals will be afforded an opportunity of dipping their hands deeply into the public purse. Yet, when this important matter is under consideration, we find that Ministers are absent from the Chamber, and that honorable members occupying the corner benches are practically silent. To-night, I had repeatedly to call attention to the state of the House. Even when a Bill of this character, involving as it does, an expenditure of £324,000, is under consideration, we find that the Government are unable to keep a quorum. Such a condition of affairs is absolutely disgraceful. It is no wonder that the people of Australia decry Commonwealth politics, and declare that Federation has been a failure. To-day, from one end of the Continent to the other, we hear complaints in reference to the Commonwealth Government and Federal politics. It is because Ministers flout this House and the country, and because honorable members upon the cross benches are content to allow the Government to do as they like in matters of this kind, that there is such a public outcry. At the present time, the names of some of our leading politicians are a by-word throughout Australia. I have spoken strongly, because I feel strongly. In introducing this Bill the other day, the Minister of Trade and Customs said that there was no necessity for him to speak at length, seeing that he had already made two speeches upon the measure. Evidently he forgets that since he made those speeches a Royal Commission has exhaustively investigated this question. The Minister, however, during the course of his remarks, made only

one reference to the labours of that body. He stated that Mr. Jamieson, in his evidence, declared that the industry, if established, would provide employment for 3,000 men. I have looked through the official report of the evidence, and I fail to find that he made any statement of that character. The Minister further declared that Mr. Carson—I do not know who he is—stated that if the bonuses were granted, instead of employment being found for 3,000 men, work would be provided for 10,000 or 13,000 hands. Honorable members can search the whole of Mr. Jamieson's evidence, but they will fail to discover any statement of the kind attributed to him by the Minister. The fact is that the honorable gentleman endeavoured to bolster up this business in the same way that the honorable member for Riverina attempted to bolster it up the other night. He talked about the 3,000 men who would be engaged in the industry if a bonus were granted upon the production of pig iron. He said that it would lead to the establishment of a flourishing industry; but he failed to produce a single particle of evidence in support of his statement.

Mr. CHANTER.—Because I wanted to save time and get on with the business.

Mr. FULLER.—That is a very convenient method of saving time. The sworn evidence of witnesses before the Commission is in absolute contradiction to the statement of the honorable member.

Mr. CHANTER.—Let us pass the second reading of the Bill, and in Committee I will produce my authority for the statement which I made.

Mr. FULLER.—I do not propose to allow this Bill to pass its second reading if I can prevent it. Why does the honorable member wish the measure to get into Committee? Simply because it will please his protectionist friends. If it does reach the Committee stage, we shall find the Labour Party pressing the Government to nationalize the industry. Just as in New South Wales a few years ago, an endeavour was made to sneak in protection, so will an endeavour be made now by the Labour Party with the help of the Government to sneak in Socialism. I shall do my best to prevent them accomplishing their object.

Mr. POYNTON.—Did not the honorable and learned member vote in favour of nationalizing the industry?

Mr. FULLER.—I would vote any day for the nationalization of the industry in

preference to the granting of the proposed bonuses. Honorable members of the Labour Party favour the nationalization of the industry, but are prepared to accept a miserable compromise in order to keep the Government in power. Why do they not stand to their guns? Why do not the Socialists who favour the nationalization of the iron industry, say straight out to the Prime Minister, "This industry must be nationalized. That is our belief, and the belief also of the people who have sent us here." The Prime Minister's socialistic education, however, is hardly so complete, as to allow of that being done. When the motion submitted by the honorable member for Barrier was before the House this afternoon, the honorable and learned gentleman showed that his socialistic education was not such as to allow him to support the ideals of the party to the extent that they desired. I am not blaming the Labour Party for the views which they hold. I honour them for the openness with which they proclaim them, but I certainly condemn them for proposing to support a Bill which, according to the statement of the leader of the party, and of the sworn evidence of Mr. Lamond, secretary of the Labour League in New South Wales, will simply produce a monopoly in Australia. That is a state of affairs which every member of the Labour Party professes a desire to avoid. It is because I believe that if these bonuses are given to a syndicate to establish the iron industry, we shall have a monopoly that will crush all industries—industries like Mort's Dock—dependent on cheap iron, that I am opposed to the Bill.

Mr. WATKINS.—Does the honorable member think that Mort's Dock is not something in the nature of a monopoly? What influence has prevented a dock from being made at Newcastle?

Mr. FULLER.—Perhaps the honorable member will tell me.

Mr. WATKINS.—It was the influence of the Mort's Dock people.

Mr. FULLER.—A request was made to the Government to build a dock at Newcastle, but it was refused. As a matter of fact, Mort's Dock was erected by private enterprise.

Mr. WATKINS.—But it has been fed by Government patronage.

Mr. FULLER.—It used to employ between 2,000 and 3,000 hands at wages as high as those obtaining in America, and



nearly double those prevailing in England, What did the manager of that company, Mr. Franki, say in regard to the bonus proposals of the Government? In this connexion I shall quote, not something alleged by a Mr. Carson to have been uttered by Mr. Franki—a statement on which the Minister relied—but the sworn evidence of the man himself. Until recently Mort's Dock was a very prosperous company.

Mr. WILKS.—Until the advent of protection.

Mr. FULLER.—The company carries on its operations in the honorable member for Dalley's electorate, and, as he says, it was one of the most flourishing institutions in the State until the inauguration of a protective policy for Australia.

Mr. WATKINS.—It flourished on the loan expenditure of the State.

Mr. FULLER.—The honorable member knows nothing about the matter. Will he deny that Mr. Franki gave evidence before the Commission that a duty of 12s. 6d. per ton on pig iron would be outrageous?

Mr. WATKINS.—He certainly did make that statement.

Mr. FULLER.—That being so, I wish the honorable member to say what he thinks would be a fair duty to impose. The honorable member is silent. I take it that, like many others who propose to support the Bill, he is not prepared to say anything in regard to the payment of these bonuses. Together with those who think with him, he is ready to allow the Bill to pass in any form that the Government desire. Such a state of affairs is much to be regretted. I am satisfied that a number of honorable members of the Labour Party will vote against the Bill, while others, like the honorable member for Newcastle, will vote for it. In justice to his constituents, who are dependent upon the coal industry, the honorable member should hesitate to vote for the payment of bonuses that will benefit private speculators not in Australia, but in London. Why should we pass a Bill which will be the means, not of making our own people rich—not of putting money into the pockets of our taxpayers—but of giving persons in other parts of the world an opportunity to speculate? I object to the Bill from start to finish, and shall do my utmost to prevent its becoming law. The Commission, of which I was a member, took exhaustive evidence in Melbourne, Sydney, Lithgow, and Newcastle. We examined

about thirty-five witnesses, and ultimately presented a majority and minority report. The majority report was affirmed by the casting vote of the right honorable member for Adelaide; but what I desire to draw attention—particularly of honorable members on the cross benches—to is the minority report signed by the six members of the Commission, whose names are attached. That minority report is signed by, amongst others, the honorable and learned member for West Sydney, who is one of the leading members of the Labour Party in this Parliament. The honorable and learned member has occupied high positions, not only in the Federal Parliament, but in the State Parliament of New South Wales, and no name stands higher than his in the party to which he belongs. For weeks past the honorable and learned member has been the intelligent representative of trade unions in the Arbitration Court of New South Wales. Some honorable members seem to think that there is no good in lawyers, but members of trade unions in New South Wales seem to think there is a lot of good in "Mr. Lawyer Hughes," who is now representing them so ably. The honorable and learned member is no ordinary man; he is the accredited representative of trade unions, and a leader of the Labour Party, and his name appears at the head of the list in opposition to the granting of a bonus to the iron industry. What does that mean? It means that the honorable and learned member, like his colleagues on the Commission, including the then honorable member for Kalgoorlie, Mr. Kirwan—

Mr. WATKINS.—How many meetings did Mr. Kirwan attend?

Mr. FULLER.—Then we have the name of the honorable member for Bland; does the honorable member for Newcastle wish to know how many meetings that honorable member attended?

Mr. WATKINS.—I know that he attended a good many.

Mr. FULLER.—The honorable member for Bland is the honoured leader of the Labour Party to-day, and, as a member of the Royal Commission, we find him in strong opposition to the granting of a bonus. Will the Labour Party sit quiet under these circumstances? We have not heard a single word from the cross benches in connexion with the matter. Has the honorable member for Bland gone away,

and instructed his representative, the deputy leader of the party, to refrain from saying a word on his behalf? Has the honorable member for Bland, by reason of the extraordinary combination which resulted in placing the present Government on the Treasury bench, changed his ideas in regard to the report which he signed in common with us? The hour is late, and I again ask leave to continue my remarks on a future day.

Mr. SPEAKER.—Is it the pleasure of honorable members that the honorable member shall resume his remarks on a later day?

Mr. DEAKIN (Ballarat—Minister of External Affairs).—I regret to say that, although we have been dealing for four or five sittings with the second reading of this Bill, we are making very slow progress, and that, in view of the business on the paper, it is impossible to accede to the honorable member's request. The honorable member has spoken for an hour, and we are able to afford any further time he thinks necessary. We have heard this report of the Commission read, and the comments of honorable members before; but if the honorable member thinks it necessary to repeat them, well and good. In the interests of business, we ask him to be good enough to condense his remarks, so that he may finish to-night.

Mr. FULLER.—I object to the Prime Minister saying to me that he has heard all this before. I do not care whether he has heard it before or not; he shall hear it again from me. The Prime Minister has been absent during the whole of the debate, and when he says he has heard all this before he is saying what is absolutely untrue.

Mr. SPEAKER.—The honorable and learned member must withdraw those words.

Mr. FULLER.—I withdraw the words, Mr. Speaker, and I am sure the Prime Minister will understand that I made the remark in the heat of argument.

Mr. DEAKIN.—I assure the honorable and learned member that I have heard the report and similar comments before.

Mr. FULLER.—Then I shall give the Prime Minister an opportunity of hearing them from me as a member of the Royal Commission; and probably the honorable gentleman may, after hearing me, be inclined to change his mind.

Mr. MAUGER.—How much time does the honorable and learned member intend to take?

Mr. FULLER.—That is for me to say. I have no doubt that the *Melbourne Age*, if it expresses an opinion in the morning, will say that my remarks were frivolous, and that I wasted a lot of time. The honorable member for Melbourne Ports, who was a member of the Royal Commission, knows that what I am saying is perfectly correct. The honorable member attended the meetings at Melbourne, Sydney, and Lithgow, though not at Newcastle or Brisbane, and he heard the evidence which I am about to quote. I do not wish to make any reflection on the honorable member, but it was a remarkable fact, to which my attention was called at the time, that the confidential report, which was handed to me and other members of the Commission by the chairman one afternoon, appeared the following morning at full length in the *Melbourne Age*. This was remarkable; and it was generally understood that that report in the *Age* was supplied by the honorable member for Melbourne Ports. The report of the Commission, which I am about to read, was drawn up in no careless fashion, but had much consideration bestowed upon it.

Mr. MAUGER.—I rise to a point of order. My attention has just been drawn to the fact that the honorable member has asserted that I gave what was confidential information to a newspaper.

Mr. SPEAKER.—That is not a point of order. If the honorable member for Melbourne Ports desires to make a personal explanation, he may do so as soon as the honorable member for Illawarra has concluded his remarks.

Mr. MAUGER.—But it is a serious matter, which should not be allowed to go unexplained until the end of the honorable member's speech.

Mr. SPEAKER.—A point of order may be raised in the course of a speech, and the speech may be interrupted in order that it may be considered. But a personal explanation can only be made at the conclusion of a speech.

Mr. FULLER.—If I have done the honorable member for Melbourne Ports an injustice, I withdraw what I said. I shall not deal with the majority report, because I feel satisfied that honorable members are already acquainted with it, and I do not wish to occupy

time any further than is necessary. But I do wish to direct attention to the report which, though it is signed by six members of the Commission in the same way as is the majority report, is called the minority report. I happened to be one of the six Commissioners who signed this so-called minority report, but I may say that, so far as their intelligence and attention to the business of the Commission are concerned, they do not stand behind those signing the majority report in any shape or form. I direct attention to the fact that the report to which I now refer was signed by Mr. Hughes, the honorable member for West Sydney, and by Mr. Winter Cooke, an ex-member of this House. Those who had the honour of knowing Mr. Cooke know that he was a man of more than ordinary attainments. The report is also signed by Mr. Kirwan, who drew it up. It was perused by the honorable member for Bland, who also signed it, and I undertake to say that there is no honorable member in this House who can go through the evidence submitted to the Commission and from it disprove a single statement in the report to which I refer.

Mr. WATKINS. — That is a matter of opinion.

Mr. FULLER.—I throw out the challenge to the member in charge of the Bill, and also to the member for Newcastle, who was one of those signing the so-called majority report. I defy any one to show that the minority report is incorrect in any of its statements. This afternoon we had a motion for the appointment of a Select Committee. Various statements in support of that proposal were made by the honorable member for Barrier, and other honorable members on the cross-benches, but here we have a report, not from a Select Committee, but from a Royal Commission accompanied by a mass of sworn evidence, and I ask whether honorable members propose to take any notice of it, or intend to completely ignore the labours of the Commissioners? We gave the utmost attention to the matter, considered the whole of the evidence given from start to finish, and six Commissioners honestly and conscientiously drew up a report in opposition to the bonus proposal. I admit that the six other Commissioners just as honestly and conscientiously signed the so-called majority report, but I am still entitled to ask the Minister in charge of the Bill, and honorable mem-

bers who propose to support it, to show me any respect in which the minority report is wrong. I understand that the Postmaster-General has taken up the challenge. I am delighted that the honorable gentleman should have accepted it, though I know his capacity, his keenness in debate and his skill in the discovery of little points in support of the cause he has espoused. If the honorable gentleman can tell me from the evidence given before the Royal Commission that any statement appearing in the minority report is not justified, I shall be the first to admit that I have made a mistake; but it must also be remembered that there are others as well as myself who must be satisfied on the point.

Mr. HUTCHISON.—We have to be shown that the report signed by the other six Commissioners is not substantiated.

Mr. FULLER.—The Postmaster-General in taking up my challenge must show that the honorable member for Bland, whose name is also attached to the minority report, is wrong. When a measure involving an important departure in policy is about to be launched in Australia, we are entitled to hear from the leader of the Labour Party whether he has changed his opinion in connexion with this matter.

Mr. HUTCHISON.—May not the position have changed since then?

Mr. MCWILLIAMS.—The political situation has changed.

Mr. FULLER.—I have admitted that circumstances have changed. I have shown that a Royal Commission has since been appointed, has taken evidence, and has come to certain conclusions after hearing the evidence of the various witnesses examined. I have shown that two reports have been submitted, each signed by six Commissioners, and that amongst those who have signed the report in opposition to the granting of these bonuses are two leading members of the Labour Party, the honorable and learned member for West Sydney, and the honorable member for Bland, the leader of the party.

Mr. HUTCHISON.—Was there not a belief at the time that a State would nationalize the industry?

Mr. FULLER.—I should like to remind honorable members that it was on the motion of the honorable member for Bland that the matter was referred to a Royal Commission. The honorable member was one of those who were strongest in opposition to bonuses to establish a big monopoly,

and to put the money of the people into the pockets of private individuals. On those grounds he moved a motion for the reference of the question to a Royal Commission.

Mr. HUTCHISON.—Did not the honorable member think that the industry could be nationalized at that time?

Mr. FULLER.—I shall let the honorable member for Hindmarsh know all about that. I repeat that it was through the action of the leader of the Labour Party that the first measure of this kind was referred for inquiry to a Select Committee, which subsequently became a Royal Commission; and that after he had heard the evidence taken during that inquiry, he was more strongly opposed to the granting of bonuses to private individuals than he had been before. I ask the Postmaster-General, who appears to be in charge of the measure at the present moment, if the Bill provides for the nationalization of the iron industry. As he does not answer, I assume that he does not know what the intention of the Bill is. Ministers seem to be in the same position with regard to this Bill that they were in with regard to the Commerce Bill, which the Attorney-General thought provided for the grading of butter, and the Minister of Trade and Customs thought did not, they being thus in direct opposition on a question affecting one of the most important industries in Australia. I again ask the Prime Minister if the Bill provides for the nationalization of the iron industry. He does not answer my question.

Mr. CHANTER. — Question time has passed.

Mr. MAUGER. — It will soon be here again.

Mr. FULLER.—I am prepared to go on until question time comes again if honorable members compel me to do so. I can speak for ten or twelve hours on this subject without repeating myself. I feel very strongly in regard to the matter, because I was a member of the Royal Commission, and attended most of its meetings. I heard the evidence of nearly all the witnesses who were called, and was in as good a position as any member of the Commission to form a fair and honest judgment on the question submitted to us. Having given careful consideration to the whole matter, having heard the evidence, and seen the demeanour of the witnesses who were called, I felt so strongly opposed to the granting of bonuses that I signed the

minority report, which was agreed to by six of the twelve members of the Commission. As some honorable members now present may not have heard that report, I shall direct particular attention to it. There can be no doubt that, in many respects Australia is favorably circumstanced for the production of iron. The protectionists who sit on the Government side of the Chamber pose as the only members of the House who desire the establishment of manufacturing industries in the Commonwealth, but we free-traders who sit in opposition are as anxious as any protectionist who was ever elected has been for the establishment of such industries. But we desire that private enterprise shall have free and fair play—that men of ability and enterprise shall have the fullest opportunity to carry their ideas into effect, and to develop their businesses for the benefit of this great heritage which has been bestowed upon us by the mother land.

Mr. KELLY.—I direct attention to the state of the House. [*Quorum formed.*]

Mr. FULLER.—We who are free-traders recognise the desirability of establishing the iron industry in Australia if only in order that we may manufacture guns and implements for defending our shores. We on this side yield in no particular to honorable members on the other side so far as that question is concerned. While we recognise that we are not placed in as good a position as other countries for manufacturing iron, still we are placed in a very favorable position when we have such magnificent deposits of iron, coal, and limestone in close proximity in various parts of Australia. The report of the Royal Commission contains a list of the witnesses who were examined. The Minister of Home Affairs, as well as the honorable member for Melbourne Ports, will bear me out that no attempt was made to call witnesses in opposition to the principle of granting a bonus.

Mr. GROOM.—Why did not its opponents call witnesses?

Mr. FULLER.—Because it was not necessary. The evidence given by all the men who came to support the granting of a bonus was so weak that the Commissioners whose names I have read out twice felt themselves justified in drawing up a strong report, from which I intend to read after I have referred to the witnesses. The list of witnesses contains many names which are well known in the commercial community. Mr. Jamieson,

Mr. Sandford, and others are prominent men in commercial undertakings. All these gentlemen were examined at length. The first witness was Mr. Edward Fisher Pittman, a gentleman who has occupied a high and honorable position in the Public Service of New South Wales for a great many years. He is a geologist, and his knowledge of the iron deposits in various parts of Australia is not excelled by that of any man in Australia, or by that of any of the experts who have been brought here from abroad. He was examined at length by the chairman and other members of the Commission. Although, in view of his official position, we did not ask him to express an opinion on the policy of granting a bonus, still he gave most valuable and interesting evidence in connexion with iron deposits and the possibility of establishing an iron industry here, which every honorable member before he votes on this Bill ought to study at length. If I find that honorable members are obdurate, and are disposed to treat this important question in a light way; if they are not prepared to study the report, it will be my duty, however long it may take, to quote those salient features which I have marked off. The honorable member for Barrier knows that Mr. Pittman is highly esteemed by all mining people in New South Wales, and that his word on these matters has never been questioned. Another expert who was examined was Mr. Jaquet, whose attainments in connexion with mining matters are well known in Australia from one end to the other. In his evidence Mr. Sandford declared that the honorable member for Parramatta, by appointing Mr. Jaquet to make full inquiries concerning the iron deposits of New South Wales, had done one of the most valuable things in connexion with the development of the iron industry. My honorable friend is entitled to great credit for what he then did. The evidence given by Mr. Jaquet concerning the deposits of not only New South Wales, but other parts of Australia, forms a volume which every honorable member ought to study before he votes on this Bill. If it is passed it will afford to certain persons an opportunity of floating a company. We have it on the sworn evidence of Mr. Sandford and Mr. Jamieson, two men who are specially interested in the formation of a syndicate, that although the bonus may be instrumental in enabling them to start the iron industry, it will be of little use to them in the end, unless

protective duties are afterwards imposed. This measure has been placed before us by the Minister of Trade and Customs as a Bill providing merely for the granting of bonuses; but we know perfectly well that if the iron industry is started here as the outcome of the bonus, and some hundreds, or even thousands, of men are employed, we shall pass through the same experience as has fallen to the lot of Canada. We know that demands will be made for an extension of the bonus, or for the imposition of high protective duties. In Canada applications have been made for further and higher bounties. The American iron industry was established without the aid of any protective duty, and in Australia, where we possess abundance of natural facilities for carrying on an enterprise such as that contemplated, we should be able to get along without any artificial aid. I had not the advantage of hearing the speeches delivered by the Minister of Trade and Customs or the leader of the Opposition, but from what I can gather from the official reports, the assertion of the leader of the Opposition that Mr. Sandford had stated that he could manufacture iron at Lithgow at a cost of 35s. per ton was questioned. I would appeal to the honorable member for Melbourne Ports, who attended the meeting of the Commission at which Mr. Sandford gave his evidence, to say whether that gentleman did not squarely and fairly state that he could manufacture pig-iron at Lithgow at the price mentioned.

Mr. MAUGER.—He also stated afterwards that he had made a mistake, and sought when it was too late to give further evidence.

Mr. FULLER.—I was one of the members of the Commission, and I was present at most of its meetings; but I never heard before that Mr. Sandford had expressed a wish to modify the evidence he had given, to the effect that he could manufacture iron at Lithgow at 35s. per ton. Will the honorable member say that Mr. Sandford did not assert that he could manufacture pig-iron at Lithgow as cheaply as it could be turned out in any other part of the world? Only last Friday a report of an interview with Mr. Sandford was published in the newspapers. In the course of his statement he said that he was satisfied that we had in Australia good qualities of raw material, though not of the best, and that our raw material could be

treated at Lithgow as cheaply as in any part of the world. In the evidence he gave before the Commission, Mr. Sandford stated as one reason why the bonus should be granted, that it would help to enable him to pay freights and compete with foreign products in Queensland, Victoria, and other parts of the Commonwealth. Mr. Sandford, upon being interviewed shortly after his return from a visit to England, Sweden, Belgium, America, and other countries where the iron industry has been highly developed, repeated the statements he made before the Commission. He said—

I have always considered that if the Sydney market would not absorb the output of a modern blast furnace, the proposed Federal bonus would materially help in paying freight and meeting competition in Queensland, Victoria, and South Australia.

As one who was intimately acquainted with the late Mr. Joseph Mitchell in his desire to establish the iron industry in New South Wales, I was extremely anxious that Mr. Sandford should have every legitimate opportunity to establish the iron industry upon a basis that would be beneficial not only to himself, but to New South Wales and the whole of Australia.

Mr. McWILLIAMS.—I draw attention to the state of the House. [*Quorum formed.*]

Mr. FULLER.—I have no desire to keep honorable members, but I recognise that this is an important matter to the people of Australia. Some honorable members seem to think that it is of no importance that a large sum of money is to be taken out of the pockets of the people for the benefit of a few; but I think it is my duty, in the interests of the country, to point out these matters, because I feel keenly and honestly about them.

Mr. DEAKIN.—No one disputes that.

Mr. FULLER.—There are half-a-dozen other subjects to which I wish to refer.

Mr. DEAKIN.—We have yet to go into Committee, and the honorable member can refer to them then.

Mr. FULLER.—But I prefer to speak when it suits my purpose. I know that the Prime Minister wants to get the Bill into Committee, but I do not. If I judge honorable members opposite wrongly, I apologize to them, but I really do not believe that they have read the evidence of the Commission. They would not have so much calm confidence in reference to this Bill if they had done so. Let me again invite at-

tention to what is called the minority report of the Commission. They say—

We, the undersigned members of the Commission, are against the passage through Parliament of the Bill for the payment of bonuses by the Federal Government for the establishment of the iron industry within the Commonwealth.

The very first clause is, it will be seen, a declaration against the principle of paying bonuses. The second clause of the report is one to which exception cannot be taken. The members of the minority recognise that the Commonwealth possesses vast deposits of iron ore, of high-grade coal, and other material required in iron works.

Mr. KELLY.—I think there should be a quorum present to hear this report read. [*Quorum formed.*]

Mr. FULLER.—I have no desire to obstruct business. I thought it would be of interest to honorable members to hear what the minority of the Commission had to say. I had also intended to quote the evidence of Mr. Jamieson and Mr. Franki. But, apparently, honorable members are in a frame of mind in which they are prepared to pass anything without consideration at the dictates of the present Government. It appears that honorable members on the cross benches who believe in the nationalization of the iron industry, and not in the granting of bonuses, are not prepared to stand to their principles. On a former occasion, the honorable member for Melbourne Ports proclaimed that he was in favour of the nationalization of industries. I have looked up *Hansard*, and have before me a report of his speech. But he and other honorable members are now chiefly anxious to keep the present Government in power. I suppose that one of the most treacherous things ever done in the history of parliamentary government in Australia was the means by which the present Ministry secured possession of the Treasury benches. The Prime Minister denounced Socialism from start to finish. People talk of what the leader of the Opposition has said in condemnation of Socialism in this House and in the country. But he was mild as compared with the declarations of the man who now sits on the Treasury bench, and is kept in power by the support of a party who are so obviously using him for their own ends. The public of Australia ought to understand clearly that while this measure purports to be one for granting bonuses to establish the iron industry, it is really a means by which

the socialistic party are sneaking in their policy. It is intended by them that this great industry shall be the starting point in their policy of confiscation in connexion with the industries of Australia.

Debate (on motion by Mr. KELLY) adjourned.

### SUPPLY BILL (No. 2).

Bill returned from the Senate without requests.

House adjourned at 11.56 p.m.

## Senate.

Friday, 25 August, 1905.

The PRESIDENT took the chair at 10.30 a.m., and read prayers.

### LETTER-SORTERS: MELBOURNE AND SYDNEY.

Senator GUTHRIE.—I wish to call the attention of the Minister representing the Postmaster-General, to the following letter, which I have received from a constituent:—

I am posting you envelope enclosed. It was a letter sent to me from a brother-in-law in London telling me of my father's death, and asking me to appoint an attorney, as I had to be represented by one in Jersey *re* dividing the property. The letter was opened in Melbourne or Sydney, and returned to my brother in London. As all light-houses are either under the Marine Board or Harbor Trust there was very little trouble in sending the letter on to one of the Boards, seeing the letter was urgent. I notice in one of our papers where the Federal Post Office people are very smart, as a letter addressed more as a puzzle they had no trouble in finding the owner. I would propose that every post office was supplied with a map of the Commonwealth, or appoint some old sailor to sort the letters for them.

The letter is addressed to Althorpe Island Lighthouse, Australia, and is marked, "Post town not known in New South Wales," and "Post town not known in Victoria." I desire to ask the Minister if he will ask his colleague to cause the sorters in the General Post Offices at Sydney and Melbourne to pass an examination in the geography of Australia, and to supply a map of Australia to the General Post Offices in those cities, so that the sorters may know that there is such a place as Althorpe Island in Australia?

Senator KEATING.—I shall have the matter referred to by the honorable senator brought under the notice of the Postmaster-General.

### LAND AT LARGS BAY.

Senator Sir JOSIAH SYMON.—I wish to ask Senator Keating if he can state to the Senate the amounts claimed in the two cases of compensation respecting land at Largs Bay, now pending in the High Court.

Senator KEATING.—I sent to the Department of Home Affairs for the information. It had not arrived before the meeting of the Senate this morning, but if it comes, as I hope, during the day, I shall announce it.

Senator Sir JOSIAH SYMON.—Probably it could be got more readily from the Crown Solicitor.

Senator KEATING.—I was referred from his Department to the other.

### COUNCIL OF DEFENCE.

Senator Lt.-Col. NEILD asked the Minister of Defence, *upon notice*—

(1) Is it a fact, as stated by the Vice-President of the Executive Council, that the Council of Defence has not met since the present Government came into office?

(2) In the absence of such meetings, by whose authority do individual members of the said Council issue instructions to State Commandants, signing such instructions "By order"?

Senator PLAYFORD.—The answers to the honorable senator's questions are as follow:—

1. There has been one meeting of the Council of Defence since the present Government came into office, which was held yesterday.

2. No instructions, so far as I am aware, have been issued to Commandants by individual members of the Council of Defence, in their capacity as members of such body.

### FIRST PARLIAMENT: MR. TOM ROBERTS' PICTURE.

Senator MATHESON asked the Minister representing the Minister of External Affairs, *upon notice*—

(1) How many copies of the picture purporting to be "The opening of First Parliament of the Commonwealth" have been purchased for £2 as set out in page 17 of the Estimates, 1905-6?

(2) To what use do the Government propose to put their purchase?

(3) By what Minister of External Affairs was the order for these prints given?

(4) Are the prints copies of the picture by Mr. Nuttall, or by Mr. Roberts, or partly of both?

Senator PLAYFORD.—The answers to the honorable senator's questions are as follows:—

1. Four (4).
2. One each for Government House, Sydney, Government House, Melbourne, Federal Parliament House, and Prime Minister's room.
3. Sir Edmund Barton.
4. All *remarques* of Mr. Tom Roberts' picture.

Senator MATHESON.—Arising out of that answer, I desire to ask the Minister of Defence if he can inform the Senate why a preference has been given to Mr. Roberts over Mr. Nuttall?

Senator PLAYFORD.—I cannot answer the question. I know no more about the matter than is contained in the answers. But if the honorable senator will give notice of a question I shall get the information he desires.

Senator STEWART.—Arising out of the question of Senator Matheson, I desire to ask Senator Playford whether a copy of the picture will be placed in the Parliament House of each State?

The PRESIDENT.—I do not think that that question arises out of the answer, which was that four copies of the picture had been ordered for certain places.

Senator PLAYFORD.—The honorable senator can move that further copies of the picture be purchased for the places he refers to.

Senator CLEMONS. — Arising out of the answer, I desire to ask the Minister of Defence if he can tell the Senate whether the copies of the picture which have cost £23 each are framed or unframed, the cost of the frame, and the cost of the picture without a frame?

Senator PLAYFORD.—I have no pretensions to any knowledge of high art, but in the Queen's Hall the honorable and learned senator will see a copy of this picture. I think in a frame.

Senator Lt.-Col. NEILD.—Arising out of the last question, I desire to ask the Minister of Defence if he is aware that copies of the picture can be obtained from subscribers at about half-price?

Senator PLAYFORD.—I am not aware. I am not in the market.

#### TARIFF COMMISSION.

Senator MILLEN asked the Minister representing the Treasurer, *upon notice*—

If the daily allowance will be paid to members of Parliament who are members of the Tariff

Commission when that Commission sits in other States than Victoria when Parliament is not sitting?

Senator PLAYFORD.—The answer to the honorable senator's question is as follows:—

The daily allowance will, when Parliament is not sitting, be paid to members of Parliament who are members of the Tariff Commission when that Commission sits in a place in which the member does not reside. The principle to be observed is that when a member is put to expense which he would not be put to, were he not a member of the Commission, the allowance will be paid.

#### POSTAGE OF HANSARD.

Senator STEWART asked the Minister representing the Postmaster-General, *upon notice*—

Is it the intention of the Government to amend the Post and Telegraph Act so as to enable *Hansard* to be posted at newspaper rate, and sold to the public at 4s. per Session, postage paid?

Senator KEATING.—The answer to the honorable senator's question is as follows:—

The question of amending the Post and Telegraph Act is under consideration, and in connexion therewith the provision of a lower rate of postage for *Hansard* will be dealt with.

#### SCHOOL SOCIALISM.

Senator MCGREGOR asked the Minister of Defence, *upon notice*—

(1) Has his attention been called to an article appearing in the *Herald* of 23rd August, in which it is stated that lessons are being given to the scholars of the Geelong school calculated to instil into their young minds the principles of Socialism?

(2) If, as a result of such teaching, the scholars should arm themselves and march on Melbourne in warlike manner, will the Minister call out the Military in order to adequately protect this Parliament House?

(3) Will the Minister avail himself of the services of others who may offer to assist in repelling such invaders?

Senator PLAYFORD.—The answer to the honorable senator's first question is as follows:—

1. My attention has not been called to the article in question.

I do not suppose that my honorable friend expects me to give an answer to the second and third questions.

Senator MCGREGOR.—I should like the questions to be answered.

Senator PLAYFORD.—I really cannot answer them.

Senator GIVENS.—Very recently the honorable senator answered questions which were far more absurd.



Senator PLAYFORD.—The honorable senator must not say that any questions I answered were absurd.

## LIFE ASSURANCE COMPANIES BILL.

Bill read a third time.

## ADJOURNMENT.

### PUBLIC SERVICE CLASSIFICATION.

Senator KEATING (Tasmania—Honorary Minister).—In conformity with the notice I gave to the Senate on Wednesday last, I move—

That the Senate do now adjourn.

Senator CLEMONS.—For a purpose?

Senator KEATING.—The notice given was to allow of a discussion of the classification scheme.

Senator PEARCE (Western Australia).—On this motion I propose to say a few words on the classification scheme and its amendment, as laid before Parliament. I do not regard this as the best method of dealing with the scheme of the Public Service Commissioner. We are placed in a rather awkward position in that we are handcuffed, so to speak.

Senator MILLEN.—I rise to a point of order. I desire to know, sir, whether, on this motion, it is competent to discuss a subject respecting which a notice of motion appears on the business-paper. I refer to the following notice of motion in the name of Senator Neild—

That the amended reclassification scheme of the Public Service Commissioner be now taken into consideration of the Committee of the whole House.

I submit, sir, that if it is competent on this motion to discuss matters of which notice has been given, the notice-paper will become utterly useless, as we could anticipate a discussion on any subject.

The PRESIDENT.—I think that the Senate ought to take into consideration, as I do, the fact that the Ministry publicly announced that they would bring this matter under discussion to-day on the motion, "That the Senate do now adjourn," and we had that intimation before the notice on the business-paper was given by Senator Neild. That, I think, makes a great deal of difference. It seems to me that according to the spirit of the Standing Orders, it is Senator Neild, if anybody, who is in fault, and not the Government. I would

call attention to the rulings of last session, which have been printed.

Senator Lt.-Col. NEILD.—Before you do that, sir, will you allow me to say that while it is quite true that the Ministerial intimation was given on Wednesday, there is nothing on the business-paper to indicate that?

The PRESIDENT.—That is so, but the Ministry handed to me a notice of motion that, contingent on the motion, "That the Senate do now adjourn" being moved, they would call attention to this matter. I said that such a course was absolutely unnecessary, and therefore they did not put the motion on the business-paper. I made that statement before anything was heard of the notice of motion in the name of Senator Neild.

Senator Lt.-Col. NEILD.—I could know nothing about that, and with great respect to you, sir, I take exception to your action in alleging that I have been guilty of default.

The PRESIDENT.—I have not alleged that the honorable senator has been guilty of anything. I would call the attention of honorable senators to this ruling of last session, under the heading "Anticipating Discussion"—

Even on the first reading of the Appropriation Bill, a senator is debarred from discussing any matters on the notice-paper.

That is very similar to the present case—

This ruling is strictly in accordance with standing order 405, but a rigid adherence to this standing order might lead to undesirable results. A senator, in order to prevent discussion of a subject, might give notice of motion concerning such subject, and after all never move the motion. Discretion must be exercised in the enforcement of the rule.

That is what I said last session, and I hold the same opinion still. I am not going to prevent honorable senators from discussing this question of the Public Service classification, although, perhaps, if I were to interpret the standing order strictly according to the letter, and not the meaning, I might do so.

Senator MILLEN.—I wish to explain that I asked the question merely for the purpose of obtaining information as to the proper interpretation of our Standing Orders. I have no wish to prevent discussion, and indeed, intend to take part in it. I understand that you have given a ruling on this particular case, and that you are not laying down a general principle?

The PRESIDENT.—That is so.

Senator PEARCE.—I draw attention to the fact that we cannot pass any motion on the subject of the Public Service classification in the circumstances in which we are placed. That seems to me to be very inadvisable. Practically, we have no power by this method of bringing the matter before the Senate to deal effectively with the scheme. I totally dissent from the view that that is a proper position in which to put us. I think we ought to be able to pass any motion with regard to the Public Service.

Senator KEATING.—That can be done by substantive motion, at any time.

Senator Lt.-Col. NEILD.—I ask your ruling as to whether the speech which my honorable friend is making will practically have the effect of removing from the notice-paper the motion which I have placed there, and to which, indirectly, the honorable senator is referring?

The PRESIDENT.—That is rather a difficult question to answer. The Standing Orders provide that the same matter shall not be discussed twice during the same session. It is provided in the Standing Orders that on the motion "That the Senate do now adjourn," no irrelevant matter shall be introduced. I think that is a good rule, which ought to have been adhered to. But the Senate thought otherwise, and passed a resolution permitting irrelevant questions to be raised on the motion "That the Senate do now adjourn." Consequently, we have this difficulty confronting us. In accordance with that resolution, a senator can discuss irrelevant questions; and will that discussion debar the same questions from being discussed again in pursuance of notice of motion? I do not think so. I do not think it ought to do so. I am bound to say that there is no standing order about the matter, and, therefore, I am merely giving my opinion. But the discussion of a question on the motion for the adjournment might merely consist of a very few remarks by one honorable senator, and that ought not to prevent the same matter being debated again on a notice of motion.

Senator Sir JOSIAH SYMON.—The question that has been raised is extremely important. Apart from the actual point that was first raised, but rather on the broader point that arises out of the question put by my honorable friend Senator Neild, I should like to know whether, in your judg-

ment, and in the opinion of the Senate, the method now being pursued is a desirable way of dealing with a big question such as the classification of the Public Service?

The PRESIDENT.—That is not the point. It is not a point of order either.

Senator Sir JOSIAH SYMON.—I rather thought that that was the point raised by my honorable friend Senator Neild, because what he wishes to know is whether the effect of this debate on the motion for the adjournment of the Senate, will be to wipe his motion off the notice-paper.

The PRESIDENT.—That is a point of order; but whether this is a desirable method to pursue is not a point of order.

Senator Sir JOSIAH SYMON.—I do not mean to raise the larger question of the convenience or facility of the method being pursued, but what I wish to point out is that it appears to me that the result of adopting this course is practically to burk discussion in detail on another motion on the paper.

The PRESIDENT.—I have already given a ruling on that point.

Senator Sir JOSIAH SYMON.—I am not making these remarks with a view to question in any way what has fallen from you, but with a view to direct attention to the inconvenience of this method.

The PRESIDENT.—That may be all right, but that is not a point of order.

Senator Sir JOSIAH SYMON.—The motion "That the Senate do now adjourn" means that, if it is carried, no other business can be taken.

Senator PEARCE.—I think that this is an inconvenient method, because our hands are tied. We are prevented from passing any motion. I think that this is a futile way of dealing with the question. There are one or two points in the classification scheme upon which I think the Senate should not merely have a desultory discussion, but should pass a motion.

Senator MULCAHY.—Would not such action really be opposed to the spirit of the Public Service Act?

Senator PEARCE.—I shall deal with that point. It is said that we have practically handed over the entire control of the Public Service to the Commissioner; that we have made him an autocrat; that we have not merely prevented Ministers in Parliament from dealing with officers of the service, but have even parted with the right to review the actions of the Commissioner. Those who make that statement

cannot have read the Public Service Act, or they would never make such a mistake. If honorable senators will turn to the Act they will find that the Commissioner is an officer created by Parliament, and has to report to the Executive, which is responsible to Parliament. Why do his reports come before Parliament? To ornament the table? To be looked at, and not even to be read? The position is ridiculous. I am surprised that honorable senators who are sent here in the interest of the public should say that this officer, whom Parliament has created, is to be looked at with awe, that we are not to speak about him, and not to pass motions about his work. Those who hold that view must be trying to reverse the position, and to put the Commissioner before Parliament. Under section 8 of the Public Service Act Parliament has defined the duties of the Commissioner. He is not referred to as if he were superior to Parliament. It is provided that the inspectors shall report to the Commissioner; and in sub-section 2 it is provided that after considering such reports, the Commissioner may propose to the Governor-General in Council—that is, to the Executive, which is responsible to Parliament—

Any particular disposition of officers and offices and the division or class subdivision of class or grade of every officer and re-arrangement or improved method of carrying out any work which appears to the Commissioner necessary or expedient for the more economic efficient or convenient working of any department, and such proposal shall be considered and dealt with by the Governor-General.

If we have given over all our powers to this officer, why need he report to the Governor-General at all? What is the use of his report? What is the object of laying it on the table, as provided by a later section? It is conclusively clear that this officer is under the control of Parliament, and that the whole of his decisions are subject to review by the Governor-General in Council. Sub-section 3 of sub-section 8 says that—

If the Governor-General does not approve of any proposal it shall be the duty of the Commissioner to reconsider such proposal,

clearly showing that the Governor-General in Council has power to review all the decisions of the Commissioner. I think that the exaggerated position given to the Commissioner is due to some of the weak Ministers we have had in office. I have heard of Ministers having to work their clerks overtime, or having to go through a lot of formality to get additional clerks to save

their officers from working overtime. The Minister who allows that condition of affairs to happen is not fit for his office. The section goes on to say that—

Such fresh proposal shall be considered and dealt with by the Governor-General.

Senator DOBSON.—Not by Parliament until the Governor-General has dealt with it.

Senator MILLEN.—Is there anything that Parliament has not a right to discuss?

Senator PEARCE.—It is not merely a question of discussion; it is a question of direction if necessary.

Senator HIGGS.—And Parliament can direct the Government.

Senator DOBSON.—We can only direct the Executive if they have done wrong.

Senator PEARCE.—We can direct them even if they have done right. Indeed, the honorable senator says that on occasions not only can Parliament direct the Executive, but that a section of Parliament can do so.

Senator DOBSON.—The matter is not ripe for discussion, in my opinion.

Senator PEARCE.—I direct attention to the last paragraph of section 3 of section 8, which says—

Where the Governor-General does not approve of any proposal a statement of the reasons for not approving and for requiring a fresh proposal shall be laid before the Parliament.

That is to say, where there is a conflict of opinion between the Government and the Commissioner, and the Government has called upon the Commissioner for a fresh proposal, the reasons for so doing shall be laid before Parliament—from Senator Dobson's point of view, I suppose, to be respectfully worshipped, but from my point of view in order that Parliament may, if it thinks fit, have an opportunity, as it has the right, to express its opinion on the action of the Government.

Senator DOBSON.—The Executive has not expressed its opinion yet as provided by the Act.

Senator Lt.-Col. NEILD.—Because the Executive neglects its duty Parliament is to fall into the same rut!

Senator HIGGS.—Executives have approved by silence.

Senator PEARCE.—Whether the Executive has done its duty or not, I take it that this Senate is not going to hand over its power because of a weak Government.

Senator MILLEN.—Three Governments have affirmed that they did approve of the scheme.

Senator PEARCE.—By their silence that may be so.

Senator MILLEN.—And by their affirmation.

Senator PEARCE.—I do not think that any Government has approved of the scheme by affirmation, except, perhaps, the present Government. I believe that previous Governments had no opportunity to deal with the matter.

Senator MILLEN.—The Watson Government did.

Senator PEARCE.—I think the honorable senator is not correct in saying that they approved. It was their intention to bring the subject before Parliament.

Senator DAWSON.—We were only considering the subject when we were jerked out of office.

Senator PEARCE.—Section 8 goes on to provide what is to happen in regard to officers, but there is nothing which indicates in the slightest degree that the Senate is not free to embody its opinion in resolutions, and that those resolutions are to have no effect on the Commissioner. I think that this officer, who is the creation of Parliament, must regard any action taken by Parliament in these matters. My point of view is emphasized by section 11, which says—

The Commissioner shall furnish to the Minister for presentation to the Parliament at least once in each year a report on the condition and efficiency of the public service and of the proceedings of the Commissioner and all Inspectors—

not merely a report on efficiency, for the information of members, but of the Commissioner's action in regard to the service—

and in such report there shall be set forth any changes and measures necessary for improving the method of the working of the Public Service.

The Commissioner shall in such report draw attention to any breach or evasion of this Act which may come under his notice.

That clearly shows, I contend, that the Senate may deal with the recommendations of the Commissioner, and that we should not give up, as I think we are doing to a certain extent by the method adopted, our power to criticise and express an opinion. As to the report, I wish to say that in my opinion the Commissioner has had a very difficult task of great magnitude. It would be something wonderful if an individual officer were able to reconcile six

different services and systems of treatment without causing much dissatisfaction; and we must admit that the report of the Commissioner is very valuable, and redounds greatly to his credit. But we must not shut our eyes to the fact that in some particulars, at any rate, the effect—although I do not doubt the Commissioner's desire to give fair play—has been to inflict injustice on some of the officers of the lower-paid grades and sections of the service. I can quite understand that, as the Commissioner and his inspectors continually come in contact with those in the higher grades of the service, they are more likely to lean to the latter's point of view than to the point of view of those lower in the grades in regard to salary and position. We must, therefore, make allowance if we find a tendency throughout the scheme to give the heads of departments, or those in contact with the heads of departments, more generous treatment than is dealt out to the public servants in the lower grades. One other feature also strikes me. The Public Service Commissioner—and, perhaps, naturally so from his environment—has fallen into the erroneous idea that men who do manual labour are not deserving of the same consideration as are men who do clerical work. Whether in the matter of allowances, of salary, or of treatment generally, the officer in the general division receives an inferior salary and treatment.

Senator Lt.-Col. NEILD.—Inferior increments, inferior overtime allowances, and inferior holidays.

Senator MCGREGOR.—And have less opportunity for advancement.

Senator PEARCE.—One of the greatest drawbacks is that the officers in the general division have, as Senator McGregor says, less opportunity for advancement; and that fact should influence the Commissioner to compensate them with more generous treatment in other respects. For instance, in the clerical division there is no grading below a salary of £160 per annum. If a man enters the clerical division as a probationer, there is nothing to prevent him, with the good will of the head of the Department and the inspector, from rising to a salary of £160 without waiting for his seniors to die; and on attaining that salary he begins to work up through the various grades. That seems to me to be a perfectly fair proposal. It is quite reasonable that, providing a man is efficient

and industrious, he should have a guarantee that he shall proceed, increment by increment, until he reaches that salary. I am not advocating what are called automatic increases, but contending that there should be a reasonable prospect of a man attaining a salary of at least £160.

Senator MILLEN.—Irrespective of the value of the work done?

Senator PEARCE.—I know that is an argument used in this connexion; but should the argument not apply also to the clerical division? Are there no officers in the clerical division doing work not so valuable as that done by other officers in the same division? All I ask is that honorable senators shall apply to the general division the same arguments as they use to justify the absence of grades in the clerical division. What I invite honorable senators to defend is the differential treatment. I know that I shall probably be told by the Government that the Commissioner has been so instructed by Parliament, and that he has no option but to grade officers in the general division. In fact, the Commissioner himself, probably anticipating that this point would be raised, says on the first page of his report:—

The arrangement of the general division into grades, also provided for by section 80 (a), has been completed, and the limits of salaries fixed by regulation are contained in schedule III. hereto.

One of the objections to the grade system, as applied to the lower officers of the general division, and particularly to the letter-carriers, is that, in addition, the salaries of the grades have been fixed, and, further, the number of letter-carriers who can get into the grades is limited. There are one-third of the men in grade 2, one-third in grade 1, and a hybrid grade, composed of assistant letter-carriers, containing the remaining third.

Senator MCGREGOR.—I suppose they carry the bags for the other fellows?

Senator PEARCE.—Although these men have to act on their own responsibility, they are called assistant letter-carriers.

Senator Lt.-Col. NEILD.—The duties and hours are the same, and this is simply a method of paying small salaries.

Senator PEARCE.—There is no doubt about that. Section 80 of the Public Service Act provides—

The Governor-General may make, alter or repeal regulations for the carrying out of any of

the provisions of this Act, and in particular for all or any of the following purposes, namely:—

- (a) For arranging the professional division into classes and the general division into grades, and for determining the limits of salaries and wages to be paid to persons in such classes or grades in the different departments or in any specified department.

I suppose the defence will be that the Commissioner takes this as an instruction to grade the officers of the general division. But the power on the part of the Commissioner to make regulations is purely optional, and if he does make regulations, they should conform to the general principles laid down in subsequent sections. It may be said that this section is an indication that at the time the Act was passed it was the wish of Parliament that the general division should be graded, but the Public Service Commissioner, in grading the general division, and the letter-carriers particularly, has gone a step further. It will be noticed that in the paragraph of the report I have read, he does not quote section 80 as a justification for limiting the salaries or number of the officers in each grade; indeed, it would be impossible to do so. The Commissioner justifies his action by regulations which he himself has made, and my contention is that the Public Service Commissioner, by utilizing to the full the permissive power given to him under section 80, has drafted regulations which practically enable him to extend the wish of Parliament in a direction never intended. If such, however, were the intention of Parliament at that time, I think that, in view of the results, Parliament should intimate to the Commissioner that the system he has adopted with regard to the letter-carriers must be abolished. In regard to the general division, which includes the letter-carriers, we have affirmed the principle of a minimum wage of £110 per annum for those who reach the age of twenty-one, and have been three years in the service. While we have fixed a minimum wage, the Public Service Commissioner has fixed a maximum wage, and the latter for the letter-carriers is £138 per annum. I draw honorable senators' attention to the fact that, short of the office of Deputy Postmaster-General, in each of the States there is no maximum fixed in the clerical division. In that division the way of promotion is open, and promotion carries with it substantial increases of salary. As I have already

pointed out, there is no grading in the clerical division until a salary of £160 is reached, whereas in the general division not only are salaries limited—in the case of the letter-carriers to £138—but before these latter can obtain that salary they have to face a rigid system of grading which makes promotion almost impossible, unless they live to a very great age. What is the reason? The only reason that can be given is that these men are not following a clerical occupation.

Senator MULCAHY.—Is the question not really whether the men are being paid a fair wage for the work?

Senator PEARCE.—Should that question not also be asked in regard to the clerical division?

Senator MULCAHY.—I quite agree with the honorable senator.

Senator PEARCE.—A fair rate of wage should, in my opinion, be paid, although my idea of a fair wage might differ from that entertained by Senator Mulcahy. These letter-carriers should have fair treatment and encouragement. First of all, we should safeguard the principle of the minimum wage, below which no man should be admitted to the service. If a man is not worth the minimum salary, he ought not to be given employment in a Department; but once a man is admitted, he should have reasonable prospect, providing he is energetic, vigilant, and sober, of reaching, at any rate, the limit of £160 per annum, as provided for in the clerical division. Up to that point, advances of salary should be given, not automatically, but as rewards for length of service, combined with sobriety and efficiency. That is my idea of fair treatment, which, I take it, any honorable senator would extend to his own employé. A private employer would fix a salary to start with, below which he would ask no man to work; and then the way would be open to reward and promotion, depending entirely upon efficiency and industry. My opinion is—and I have heard other honorable senators often say the same—that in the Public Service we should apply the principle adopted by private employers; that is the only way in which to get an efficient service. The work of a letter-carrier is laborious, and, especially in the summer time, when he has to walk at all hours in the towns and cities, his position is not an enviable one. A letter-carrier has a responsible position, and has to bring to bear a considerable amount of intelligence in the

discharge of his work. Any dereliction of duty, especially in sobriety, may lead to loss of employment at any time, and we require for the position men who are good citizens and industrious workmen.

I say, therefore, that we should treat these men in a more generous fashion than we have done in the past. I trust that the representatives of the Government in the Senate will take a note of the various points referred to in the debate, and will bring the suggestions made under the notice of the Public Service Commissioner. I ask that, so far as section 80 of the Public Service Act is concerned, the three grades fixed in the general division be abolished, and the maximum salary raised, so that it may be possible for a man following the occupation of a letter-carrier in the Commonwealth to expect to receive £3 per week after long service. A great outcry was raised when we proposed a minimum wage of £2 2s. per week, but no honorable senator who opposed that provision ever held the view that a man should not be able to secure that salary after he had been a certain time in the service. I think that honorable senators will readily admit that there should be for all workers in the Commonwealth, whether inside or outside of the Public Service, a prospect that, by diligence and sobriety, they might hope to receive a salary of £3 per week. After studying the operation of the grading system proposed, I believe it to be practically impossible for many letter-carriers in the Public Service to rise even to the maximum provided. In the past, when a man in receipt of the maximum salary of his class has died, some other public servant has been moved up into his place, and given the same salary, but, under the classification scheme—and this is where the assistant grade comes in—instead of moving an officer up to take the place and the salary of the man who has died, a probationer is put into the assistant grade.

Senator GIVENS.—It defeats the minimum wage.

Senator PEARCE.—That is so, because until the probationer has been qualified by three years' service, and by reaching the age of twenty-one years, he cannot get even £2 2s. per week. If a system of grading means anything at all, it should mean that when an officer in receipt of the maximum salary of a grade happens to die, the officer next qualified is moved up into his position, and is given

the same salary. The system adopted by the Public Service Commissioner does not permit of that. Again, where a limited number of officers are allowed in a certain grade, it should logically follow that there should not be less than a certain number of officers in that grade. But that does not follow in the classification scheme. It seems to me that the more satisfactory way would be to treat the general division as the Public Service Commissioner has treated the lower branches of the clerical division. We should fix a minimum salary, and a decent maximum salary, which will encourage men to become efficient, and we should then let gradation depend on efficiency and industry, and allow the judges of that to be the permanent head and the heads of the different branches of a department. There is another question which particularly affects my own State, that of allowances. I am glad to see that the Public Service Commissioner, in his amended report, has to some extent remedied the injustice inflicted by his first arrangement. In Western Australia, and particularly in the more remote and inaccessible parts of the State, as honorable senators are aware, the cost of living is much higher than it is in the eastern States. The first allowances for extra cost of living provided in the classification scheme were altogether inadequate. They were less in many cases than the allowances previously given by the Federal Government, and much less than those allowed by the State Government in Western Australia. In the case of Broome, where a cable company employs a number of officials, they received higher salaries and much higher allowances than the public servants in the same place. The Public Service Commissioner, recognising these facts, has raised the allowances given to officers in the more inaccessible portions of the States. But I point out that the cost of living, even in the larger towns in Western Australia, is much higher than it is in Melbourne or Sydney. I am entitled to say that an officer performing duty in Western Australia should get the same salary—that is, a salary having the same purchasing power—as an officer performing similar duties in Melbourne or Sydney. The Commissioner should therefore have taken Melbourne or Sydney as a basis on which to arrange a scheme of allowances for places in the Commonwealth where the cost of living is higher. At present an officer getting

a transfer from Sydney or Melbourne to Perth is obliged to accept the transfer at a reduction of salary, because, while he gets nominally the same salary, its purchasing power in Perth will not be so great.

Senator WALKER.—We might get over that difficulty by a climate allowance.

Senator PEARCE.—I am not complaining that the Public Service Commissioner has not provided for a climate allowance, but that he has not adopted a proper scheme. Honorable senators will be aware that in the various States allowances are made according to the cost of living in different places, and I argue that what the Commissioner has done for the States he should have done for the Commonwealth as a whole, and, taking one or two cities as a basis, have arranged a scheme of allowances for officers in every part of the continent. Another matter to which attention should, I think, be called, is that in Kalgoorlie and on the gold-fields generally, an artisan desiring to join the Public Service is compelled practically to break the Arbitration Court awards in order to secure employment. In places where there are no Arbitration Court awards, an artisan may have to break the laws of his union by taking less than the minimum rate of wages fixed for his district if he wishes to get into the Public Service. In two States of the Commonwealth there are Arbitration Courts, and in Victoria there is a Wages Board, and the Commissioner, in fixing the rates of wages for artisans, should have taken into consideration the rates fixed by Arbitration Courts and Wages Boards where such tribunals exist.

Senator KEATING.—For the like class of work.

Senator PEARCE.—Yes. These are the chief points I wished to bring forward, but I add, in conclusion, that if I had been given the opportunity I should have submitted a motion in regard to them, and I regret that the course adopted for the discussion of the classification scheme has prevented my doing so.

Senator MILLEN (New South Wales).—In common with other honorable senators, I am forced to recognise the extremely inconvenient method which the Government have adopted of bringing this matter before the Senate.

Senator Lt.-Col. NEILD.—Inconvenient and unusual.

Senator KEATING.—In unusual circumstances.

Senator MILLEN.—I do not desire to refer to the circumstances in which the matter was first mentioned in the Senate, beyond stating that the whole of the trouble may fairly be charged against the Government. Had they adopted the ordinary precaution of placing a notice on the business paper, as they should have done, and as they do in the ordinary course, there would have been no trouble, and every honorable senator would have had an opportunity to express his opinion. In consequence of the course adopted, we are reduced to this position: that, whilst we can state our opinions and feelings in the matter, we can do nothing more, and if it should happen that, when the time arrives for adjourning this debate, there are still some honorable senators who wish to speak, it appears to me that they will be practically prevented from doing so.

Senator STANFORTH SMITH.—We can revive the question again.

Senator HIGGS.—It could be revived again on a motion for adjournment, but we should then be in the same position as we are now.

Senator MILLEN.—That is so; we could then do nothing, and it appears to me that there is a strong possibility, if this debate closes to-day, without every honorable senator who desires to do so having spoken, that some technical difficulty may lie in the way of reviving the matter.

Senator KEATING.—I can assure the honorable senator that the Government will place no obstacle in the way of any honorable senator bringing his views on the question before the Senate.

Senator MILLEN.—I am not saying that they will, but I am saying that they have not provided the ordinary business facilities for doing so.

Senator KEATING.—Honorable senators have the same facility for discussing the question on this motion as they would have on any other.

Senator MILLEN.—Honorable senators have said on more than one occasion, "What have we to do with the Standing Orders?" but I do not forget that Mr. President is still in the Chair, and that the Standings Orders are still in force. I can see difficulties, which may not strike Ministers, in the way of reviving a discussion on the question. No honorable senator will say that the course adopted by the Government

was the best to take, or the course which should have been taken. The point has been raised of the competency of Parliament to discuss this report of the Public Service Commissioner. It is a new doctrine to me.

Senator MCGREGOR.—It is only a Dobsonian doctrine.

Senator DOBSON.—I never contended that. Senator McGregor does not understand my position.

Senator MILLEN.—Personally I prefer to take Senator Dobson's views from the honorable and learned senator himself, and not to have them filtered through or interpreted by honorable senators on the other side.

Senator DOBSON.—By impertinent interjections continually made.

Senator MILLEN.—The right of Parliament to discuss this and any other question is and must remain unchallenged. A public meeting outside has the right to discuss anything, from the action of the law courts downwards, and surely our right to discuss any matter must be as complete as that of an ordinary public meeting? Further, I think that the Public Service Act distinctly contemplates that Parliament may desire to discuss this question. Certainly, there is no prohibition in the Act against it, and if there were, it could have no effect. Having affirmed the unchallengeable right of Parliament, we may still reasonably ask ourselves what limits we shall place on the discussion, and what is to be the object of it.

Senator MULCAHY.—How we can make it effective.

Senator MILLEN.—Exactly. What I take to be the purpose of discussion here is exactly what would be the purpose of discussion by a public meeting, and that is the expression of our opinions. We are here, not for the purpose of coercing or overruling the Public Service Commissioner, but to point out by criticism of his scheme where he may unhappily have erred, and to offer suggestions. We cannot say that we will force the Public Service Commissioner to do what he thinks is wrong, but I venture to believe not only from the high position he occupies, but from a knowledge of the gentleman himself, that any suggestions made, and any criticisms directed against his scheme by honorable senators will be taken into his serious consideration. That is all I think that Parliament asks. The Public Service



Commissioner is, like all other human beings, liable to err. That he cannot all at once provide a scheme, giving absolute theoretical justice to everybody, is proved by the fact that his amended scheme differs somewhat from his original scheme. That is an admission in the most practical form that not only once, but continually, there will have to be a revision of the work accomplished in this direction.

Senator GIVENS.—The Act provides for such revision.

Senator MILLEN.—One can easily see that, in our Public Service, considering its numbers, and the enormous area over which it is distributed, anomalies will be continually presented. I take it that the highest work the Commissioner can do is to direct his efforts towards removing anomalies, or anything which has the suggestion of unfairness or injustice. When Senator Pearce was speaking, I interjected that two previous Governments had accepted the scheme. I find that I was not strictly correct, because Mr. Watson, when Prime Minister, is reported in *Hansard* to have said—

I cannot promise that the Government will not accept this scheme, however, because, so far as we are concerned, it has been accepted.

I was correct so far as one Government was concerned, but I was not correct in saying that the succeeding Government had also accepted the scheme. It is quite clear that on general principles it had been accepted by the Watson Government. I desire to refer to one section of the Public Service. I recognise, as clearly as any one can do, the impropriety of bringing before the Senate individual cases. I indorse the wisdom of the sentiment expressed by Senator Keating yesterday, when, in reply to a question as to the rights of public servants to make representations, he said that every case would have to be considered on its merits. Whilst I think that it would be extremely undesirable, as it is illegal, for public servants to seek political influence, still it is quite obvious that if they do suffer under a wrong, it would be a monstrous injustice to prevent them from taking some steps to bring it before Parliament.

Senator DOBSON.—The regulations provide the steps to be taken.

Senator MILLEN.—Let us assume, for the moment, that there is some absolute wrong which the regulations afford no means of remedying. Is it to be said that public servants are not to have open to them that

court of appeal which is open to every citizen, and that is the Parliament? I do not wish to be held to be encouraging the too frequent circularizing of honorable senators which has been going on. It would be a dangerous thing if we did anything to encourage that, because, from representations from big sections of the Public Service on main principles, we should find ourselves in the position of being importuned by individuals on imaginary grievances. I think it is not only open to us, but it is our duty to consider any serious objections or disabilities which are felt to exist by large sections of the Public Service, and which are brought before us in a proper and regular manner. I wish to refer to the position of one section of the Public Service in my State. I would remind honorable senators that when the Departments were transferred, the Constitution secured to the officers the maintenance of all their existing and accruing rights. The actual wording of section 84 is as follows:—

Any such officer who is retained in the service of the Commonwealth shall preserve all his existing and accruing rights.

That provision is binding upon the Parliament, and it expressed its willingness to observe the law, when in section 60 of the Public Service Act it affirmed that all existing and accruing rights should be respected by the Commonwealth, and maintained in full force and effect just as if the officers had remained under the States Governments. Starting from that point, I wish to draw attention to the position of the Customs officers in Sydney. By the accident of circumstances, these men have been deprived of the rights which would have accrued to them, and which did exist at the time of their transfer. Under the Public Service Act of 1895, New South Wales, for the first time, instituted a Public Service Board. The officers in the Customs Department were graded, and in it, in common with all other departments, considerable reductions were made, New South Wales having struck a time of depression, and being in the throes of a spasm of economy. A direction was given in section 9 of the Act that the Board—

shall at intervals of not more than five years grade the officers employed in all departments of the public service to whom this Act applies.

If honorable senators will remember that the Act was passed in 1895, and that a regrading had to take place every five years, they will see that the regrading of

the Customs officers had to take place under that Act just prior to the transfer of the Department to the Commonwealth. Whilst the actual work of regrading these officers took place in October prior to the creation of the Commonwealth, the regrading was only to take effect from the 1st January, the date of their transfer. The result was that, although these men were actually regraded under State control, the regrading was not given effect to, and they were transferred to the Commonwealth on their old grading. It was on the basis of that old grading that the Commissioner apparently proceeded to classify and grade the men under our Public Service Act. That they suffered heavily is disclosed by the fact that the officers in other departments remaining under State control, and classified at the same time, received substantial increases, aggregating £8,000 odd. It is reasonable to suppose that if the officers in the other State departments on their regrading received increments amounting to that sum, the officers in the Customs Department, if they had been regraded under State law, would have received a proportionate increase. As a matter of fact, they lost the entire benefit of their regrading, and, to show that I am not merely expressing my own opinion, I shall proceed to quote a passage from the Commissioner's report for 1904, where he refers to the unfortunate position of the New South Wales officers in these terms:—

As the Customs and Excise Department came over to the Commonwealth on 1st January, 1901, the Board was not in a position to regrade that portion of the service, so that the officers of the Department were transferred without being reclassified, but as the Post and Telegraph Department was not taken over until March, the Board undertook its reclassification of that Department in February so as to have it completed prior to the date of transfer. As a result of this classification the salaries of a large number of officers were increased, amounting in the aggregate to £5,060 per annum . . . so that the officers of the Post and Telegraph Department of the mother State were transferred with all their rights legally adjusted.

The Commissioner says that, owing to the fact that the Customs Department was transferred two or three months earlier than the Post and Telegraph Department, the officers in the former lost rights which were secured to and received by the officers in the latter.

Senator DOBSON.—Did the officers make that a ground of appeal under the Public Service Act?

*Senator MilLEN.*

Senator MILLEN.—In individual cases it was done. The mere fact that the Commissioner has specially referred to the anomaly which exists is, I think, clear proof that there is an injustice under which the Customs officers are resting. It is not a matter of opinion, but a matter of fact. This raises the question, Why did not the Commissioner make some provision to meet the position? His answer to representations which have been made is, I think, perfectly right from a purely legal standpoint, and it is that he cannot deal with any matters arising anterior to his appointment. There appears to me to be a legal difficulty in the way. The Commissioner took office on a certain date under the Public Service Act. He found certain officers in each Department, and he had to discharge his duties according to the terms of that Act. It was to be assumed that the officers would be transferred in a position of something like equality, but owing to a mere accident, an inequality has arisen, and apparently no power is given by the Act to the Commissioner to remove the anomaly. The relief must come entirely from Parliament.

Senator GRAY.—The Commissioner could do it indirectly.

Senator MILLEN.—That would at once open the door to charges of favouritism, and it would be straining the Act in a most dangerous way. The most casual comparison of the salaries of corresponding officers in New South Wales and Victoria will disclose remarkable anomalies. I do not propose to weary honorable senators by quoting the salaries paid to the corresponding officers in the two States, but I merely make this affirmation that as a result of the transfer in the way I have indicated an officer in New South Wales doing work corresponding to that of an officer in Victoria is paid a lower salary, merely, so far as I can gather, because he passed under the Commonwealth control in a lower grade than he ought to have occupied. That is the only specific matter to which I desire to direct the attention of the Government. I venture to think that honorable senators will support my contention that the case contains a clear element of injustice, none the less because it is unintentional, and the result of an accident. I have no doubt that the officers have a legal redress under section 84 of the Constitution Act, but I do not think that the Government or the Commissioner ought to refrain from extending

a measure of justice until it is sought in the law courts. I ask the Government to confer with the Commissioner and see if it is not possible to remove the anomaly of which I have complained, and to mete out to these men not only the legal rights secured to them by the Commonwealth Constitution, but that full measure of justice which the Public Service Act contemplated.

Senator GRAY (New South Wales).—I also wish to congratulate the Commissioner on the complete manner in which he did his work. It is not my intention to make a long speech, because the ground has been traversed pretty freely by other speakers. I am very pleased to be able on this occasion to fall into line with Senator Pearce. I am against the regrading system, because I think we should try as far as possible to give every man who enters the Public Service the incentive that if he, by the exercise of intelligence and industry, shows that he possesses qualities which fit him for a higher position, the entire field will be open to him. I think I am speaking for the commercial classes generally when I say that that is the system which they adopt, and I do not see any reason why it should not be adopted in the Commonwealth service. The matter calls for attention, because there seems to be a distinction drawn between those who are serving as letter-carriers and those who are doing clerical work. The Government should be what I might term a generous employer. I do not say that it should be extravagant, but it should certainly treat its officers generously. I contend that under the schedule placed before us, the postmen, at all events, are not treated in the liberal spirit that the Commonwealth can afford to display. Take New South Wales. I believe that the maximum salary in that State before Federation was £150. Under the Public Service classification it has been reduced by £12 per annum. A salary of £138 a year means £2 13s. 4d. per week. I think that every New South Wales representative will confirm my statement that the cost of living in that State since Federation has increased by at least 20 per cent. I shall not enter into the question of the causes of this increase, but the value of the sovereign as a purchasing medium is, I say, less by 20 per cent. than it was before Federation. So that actually, instead of the postmen getting £2 13s. 4d. per week, they are virtually receiving £2 3s. 4d. We may regard postmen as doing work

which is above the quality of that done by ordinary manual labour. Of course, I am not speaking of skilled labour. First of all they have to be men in whom the public have entire confidence. They are subject to laws which are much more severe than those which apply to men who are not Government servants. If a postman commits a serious fault he is not treated as any other person would be. He is liable to serve I do not know how many years' imprisonment for a fault which, if committed by a person in other circumstances of life, would be punished perhaps by a month's imprisonment or a fine. No doubt that is proper, because the public must have absolute assurance that their communications will be sacred, and will be safely delivered. A serious responsibility attaches to postmen. They must be good citizens in the best sense of the term. The hours they work are long. They start at six in the morning, and work till six at night. Although they have perhaps a few hours off duty during the day, they are not able to put those hours to any practical use. These conditions should not be lost sight of in fixing the remuneration of the men. I really think that £150 a year, or even £3 per week, would not be too much to pay to them, considering the nature of the services they render. Of course, like other people, if they are careful men, they wish to put by little savings in order that they may have something to fall back upon when their services are dispensed with. I know it has been stated that to pay a salary of £150 a year or £3 per week to all those who have been a certain number of years in the service would involve an increase in expenditure of £30,000 a year. I have not gone into the figures carefully, but I really cannot understand how so much as £30,000 would be required. Perhaps the Minister will explain that to the Senate. When we consider the extreme richness of this country—which is really a land of Goshen, according to the statements of the Treasurer in his Budget speech—we are justified in believing that a career of great prosperity awaits it, and that the Commonwealth Parliament is warranted in adopting generous conditions of labour for all its servants who faithfully do their duty to the public.

Senator STEWART (Queensland).—In common with other honorable senators, I regret that nothing definite can come out of

this discussion. We can only criticise the classification scheme of the Public Service Commissioner, and it lies with him, I suppose, as to whether our suggestions are carried into effect or not. The Commissioner has been complimented on all hands upon the magnitude of his task. No doubt it has been a big one, but whether he has accomplished it successfully, as a number of senators seem to think, is to me a matter of very great doubt. He appears to have failed in the most singular fashion to grasp the spirit of the Act with regard to the remuneration of officers. Parliament fixed £110 as a minimum. It never intended that sum to be the maximum. If the Commissioner had given due attention to the spirit in which that provision was passed, he would have come to the conclusion that, as the minimum was fixed at £110, the maximum should also be on a generous scale. That is how I interpret the feelings with which Parliament was imbued when the Act was passed. Instead of doing so, however, the Commissioner—moved, I do not know by whom, or whether he was moved by anybody—says in his report that he has been careful of the finances—careful not to burden the Commonwealth with too expensive a service. I beg to submit that that is a matter with which the Commissioner had nothing whatever to do. It is for Parliament to say whether the Public Service costs too much or too little. He has failed to catch the spirit of the Act. Consequently we find the service seething with dissatisfaction.

Senator MULCAHY.—Will it ever be satisfied?

Senator STEWART.—Will the honorable senator ever be satisfied? Is there contentment for any man under the sun? I even hear members of Parliament grumbling at their salaries, and many of them have not the courage to say what they think publicly. If the honorable senator thinks that he is paid too much, he might give me a portion of his salary. I should be very glad to get it. Instead of the transferred departments of the Public Service being as a whole better off than before Federation, we find that, with the exception of those affected by the minimum wage provision, it is in a worse condition. It was not the intention of Parliament that that should be the case.

Senator MULCAHY.—Does the honorable senator make that as a general statement?

Senator STEWART.—I do, so far as it refers to the lower grades of the service. I do not wish to allude to the increases given to men in the higher ranks. Many of them have received handsome increases, which, if compared with the amounts granted to men in the lower branches of the service, would, I am sure, astonish the Senate. But we are here more to discuss the general terms of the classification, than to examine it in detail. I find that the Commissioner recommends, with regard to the general division in the Post and Telegraph Department, that the highest salary should be £138 per annum. In New South Wales, previous to Federation, the highest salary in the same grade was £150. In Queensland it was £140; in Western Australia, £140; in South Australia £150, and in Victoria £150. So that the Commonwealth maximum is below the maximum of every one of the States previous to Federation. This is a question upon which the Senate should express a decided opinion. If there are no other means of ascertaining the opinion of Parliament, I intend, unless some alteration is made, to move for the removal of the Commissioner from his position. That is probably the only way in which we can extract a clear and definite statement from Parliament as to what it thinks. I do not wish to take that step, but if it is necessary it must undoubtedly be done. Our intention with regard to salaries was that those paid for the Commonwealth Public Service should be on a scale, not necessarily higher than that of the salaries paid by the States, but sufficient to enable efficient, active, trustworthy men to live in comfort. For that reason we have provided that a young single man of twenty-one shall be paid £110 per annum. Most of us, I am sure, contemplated that such a young man would get married, and have a family, and thus increase his responsibilities. We expected that he would perform useful service in two capacities; first as a private citizen, and then as a public official. I think our intention was that such a man should be provided, within reasonable limits, with such a remuneration as would be sufficient to enable him to discharge those duties with credit to himself, and profit to the community. I submit that in the scheme we are now considering, that has not been done. Not only has the maximum been fixed too low, but by the grading system, it is almost impossible for any man,

except after a very long period of service, to reach the maximum. The numbers in each of the grades are definitely fixed at one-third in grade 2, and two-thirds in grade 1. No matter how long a man's service may be, or how efficient, he cannot get into grade 2 until there is less than one-third of the entire number of employes in that grade.

Senator PEARCE.—And perhaps not then.

Senator STEWART.—And perhaps not then. This is laying down an arbitrary rule of the most vicious character. Instead of providing an incentive for the men to be attentive and diligent, it will have exactly the opposite effect. If men know that their best years, when they are most active, and probably most useful, are to be wasted in positions at low salaries, it will take from the service all enthusiasm and energy. I am inclined to believe, with Senator Gray, that Australia is on the eve of a period of comparative prosperity, and the result may be that candidates for the Public Service will be much more limited in numbers than hitherto.

Senator MULCAHY.—There will always be enough.

Senator STEWART.—That is no reason why public servants should not be decently treated. There is another grievance in connexion with officers who, under the State laws, were in the clerical division. A number of these men in New South Wales and Queensland passed the ordinary Public Service examination, and, although they are now doing work which, previous to the classification, was regarded as clerical, that work has been classified as belonging to the general division; and while the Commissioner has retained to the men their clerical status, he gives them only general division increases. That is a distinct breach of faith.

Senator Lt.-Col. NEILD.—It is a breach of the Constitution.

Senator STEWART.—It is contrary to the provisions of the Constitution, and Parliament ought not to permit this to be done. These young men qualified for the examination and passed, and they entered the service with a clear avenue of promotion and increases open to them.

Senator Lt.-Col. NEILD.—They are now graded with the stable helps.

Senator MULCAHY.—The stable helps may be just as good as many of those officers.

Senator Lt.-Col. NEILD.—I dare say, but the stable helps have not passed the examination.

Senator STEWART.—These men entered into a distinct contract, and while they have kept their part, the Commonwealth has failed to keep its part. I do not think the Federal Parliament will give its approval to actions of this kind. The Constitution expressly reserves these men their rights, which, by the classification scheme, have been destroyed, and the men practically relegated to the general division.

Senator Lt.-Col. NEILD.—Absolutely.

Senator STEWART.—Nominally these men remain members of the clerical division, though actually, so far as promotion and increase of salary are concerned, they are in the general division. A number of them have intimated to me that unless Parliament can give them redress they will be compelled to appeal to the High Court. I agree with Senator Millen that the Parliament of the Commonwealth ought not to compel the public servants to appeal to a Court in order to obtain justice. That is a degradation to the Commonwealth and to Parliament, and I trust that the Government will restore these men to their proper position.

Senator GIVENS.—By whom could that be done?

Senator STEWART.—It ought to be done by the Government, and, failing the Government, Parliament must do it.

Senator GIVENS.—We have taken the control of the Public Service out of the hands of the Government and given it to the Commissioner.

Senator STEWART.—Nothing of the kind. Senator Givens seems to think that because we have passed a Public Service Act, and appointed a Commissioner, we have shed ourselves of all authority in regard to the Public Service. I do not hold any such opinion. I take it that every act of the Public Service Commissioner is open to the criticism of Parliament, and that if Parliament does not approve of that official's acts, it may remove him, or get him removed.

Senator GIVENS.—That is the only remedy.

Senator STEWART.—Unless the anomalies are removed the Public Service Commissioner must be removed—that is the only alternative.

Senator WALKER.—“Off with his head!”

Senator STEWART.—We do not want to remove the Commissioner's physical head, though we may be called upon to deprive him of his official head, if he does not administer the Public Service Act in harmony with the spirit in which it was passed. I admit freely that the Commissioner had a very difficult task before him. But if anything of the kind I have described were done by a private company we should have every labour member in the Chamber condemning it as sweating. We do not use such strong or lurid language as probably we might if the Commissioner were not a public servant; but we have an authority over him which we do not possess over a private employer. With regard to a private firm, we can only bark, whereas in the present case we can bite. If the Public Service Commissioner does not carry out his duty in a proper spirit, we may get another Public Service Commissioner.

Senator DOBSON.—Is the man not trying to carry out his duty in the best possible way?

Senator STEWART.—I believe he is trying to do so.

Senator DOBSON.—Then why talk of nothing else but removing him?

Senator STEWART.—The misfortune is that the Commissioner tried to do a certain thing and failed. I do not see why we should pay a high salary to a man who deliberately ignores the spirit in which the Public Service Act was passed.

Senator DOBSON.—He has not done so.

Senator STEWART.—I submit that the Commissioner has done so. Not only has he reduced the maximum, and deprived a certain number of men of the status to which they are legally entitled, but he is compelling men in various post-offices to work hours that would not be tolerated for a moment in any private employment. Do honorable senators think that the Arbitration Court in any of the States would permit an employer to "string on" his men from five o'clock in the morning until ten o'clock at night in order to work an eight hours' day? Does any honorable senator think that a humane method of dealing with men? Does even Senator Dobson think so?

Senator DOBSON.—I do not suppose anybody does think so. I do not suppose it is a fact.

Senator STEWART.—Senator Dobson is an employer of labour, and I ask him how one of his clerks would like it if he

were told to come at five o'clock in the morning and hold himself in readiness to work for the honorable senator at any hour the latter might choose until ten o'clock at night?

Senator DOBSON.—It is quite likely that such a man would have a better billet than a man working seven hours a day continuously.

Senator STEWART.—What kind of a billet has a man who must drag through all those hours? Before I entered Parliament I had some association with the Wharf Labourers' Union, although not a member, in connexion with some disputes with the employers. Those men were required to be in attendance on the wharf for a certain number of hours per day, but were paid only for the hours they actually worked. I maintained then, as I maintain now, as a good unionist, that if an employer insists on his men being in attendance during particular hours of the day, he ought to pay them for those hours just as much as he pays for the hours when they are working.

Senator WALKER.—If the men do not like it, let them go away.

Senator STEWART.—That is not like the honorable senator. The remark is most callous; indeed, I was going to say that it is even brutal.

Senator WALKER.—It is a free country.

Senator STEWART.—How can a man who has been twenty years a letter-carrier—

Senator WALKER.—I was speaking of wharf labourers.

Senator GIVENS.—The same principle applies.

Senator STEWART.—Certainly a man may leave and seek employment elsewhere; but are we to treat men unfairly simply because we have them caged up, so to speak—simply because they cannot better themselves, and are absolutely dependent on their present employment? Is that Senator Walker's code of morality?

Senator WALKER.—A wharf labourer is not paid by the year, but by the hour.

Senator STEWART.—I was citing a case where men were obliged to be in attendance between certain hours, but were paid only for the hours during which they worked.

Senator GRAY.—Was not that most exceptional?

Senator STEWART.—It might have been, but it was a fact in this case. I

claimed then, and I claim now, that any employer who says to his man, "You shall be here at 5 o'clock in the morning, and I shall expect you to be in readiness to work till 10 o'clock at night," should be ready to pay that man from 5 o'clock in the morning until 10 o'clock at night. That is only equity. If Senator Dobson were asked to attend in Court for a client, and the case were postponed, would the honorable and learned senator not charge for that attendance? I am sure he would.

Senator MCGREGOR.—The honorable and learned senator would say that that was different.

Senator STEWART.—It would be a distinction without a difference. We want an effective service. It has been truly remarked that the men employed in the Post and Telegraph Department, and indeed in all branches of the Public Service perform very useful and responsible work, and they ought to be well treated. Instead of having, as we have now, a Public Service bubbling over with dissatisfaction, we should try as far as possible to make our public servants happy and comfortable, as in that way only can we get the very best possible service out of them. I trust that the Public Service Commissioner will take to heart some of the criticisms that have been passed on the classification scheme here. We can all give him credit for the very best intentions. He wants to cut down expenditure, but I say that is no business of his. We are the people who control the expenditure. We are the people who say whether too much or too little money is being spent. He has nothing whatever to do with that. I submit that he should base his administration of the Public Service Act, so far as salaries are concerned, on the minimum wage. That is the keynote of the whole thing—a living wage of £110 a year for a single man, 21 years of age. We expect the ordinary man, when he reaches that age, to marry and have a family.

Senator MULCAHY. — Give him a premium to do so.

Senator STEWART. — I think he deserves a premium. I do not know whether Senator Mulcahy is an advocate of immigration, but if we are willing, by paying their passages, to encourage people to come from the other end of the world to Australia, should we not give some encouragement to the people we have here already? We

might as well spend the money in one way as in another, and I think it would be very much better to spend it in the way I suggest than in the other way to which I have referred. If Senator Dobson would really take a broad statesmanlike view of this question, he would see how much there is to be gained by treating our public servants generously. I think that at least they ought to be treated humanely. I trust that the Public Service Commissioner will make the £110 minimum wage the keynote of his administration of the Act. There are a great many other matters to which I should like to have referred, but I shall not further occupy the limited time now at our disposal. When the Estimates come on, I hope to go very much more minutely into these matters than I have been able to do to-day.

Senator Lt.-Col. NEILD (New South Wales).—I am not going to enter into a discussion of the report of the Public Service Commissioner, for fear that if I did so I might have points of order raised against me in the course of a few days, when I shall ask the Senate, on motion, to affirm certain principles connected with the classification of the Public Service. I am referring now to an evident and glaring omission in our Standing Orders. We have a standing order that apparently limits the anticipation of motions on the notice-paper. Apparently it does and apparently it does not, if we are to accept a ruling of the President, which I do not for an instant contest. The President indicated this morning that there was the strict letter of a standing order and its spirit, and he gave a ruling in accordance with the latter. I am not questioning or reflecting in any way on that ruling, as the President quite understands. In view of his attitude, I did not join in the discussion on the point of order this morning. But I say that while we have apparently a standing order with reference to the anticipation of motions, we have not what is customary in some Parliaments, and what I have been accustomed to for about twenty-five years—a standing order that limits anticipation of debates. To put it briefly, the Standing Orders to which I have been accustomed would prohibit the discussion on a motion for adjournment of any matter on the business-paper. Of course, we are talking at large to-day, and this is a discussion which is not restricted to the classification scheme. It is unrestricted, and I propose to talk about a lot of things.

This is a field-day, and I am out for a canter. I propose to talk about certain interesting pictures, for instance, and a number of other things. I am now speaking of this question of anticipating discussions, as well as motions. In the House of Commons, one cannot anticipate a discussion any more than he can anticipate a motion. In New South Wales, it is commonly ruled by Speakers that if it is sought to discuss a question—

Senator DOBSON.—Is the honorable senator in order?

Senator Lt.-Col. NEILD.—I am in order in talking about anything on the motion before the Senate.

Senator DOBSON.—That was not the intention when the motion was put from the Chair.

Senator Lt.-Col. NEILD.—There is no motion, but the one that the House do now adjourn.

Senator DOBSON.—It was moved for a particular purpose.

Senator Lt.-Col. NEILD.—It was not submitted from the Chair in that way, in accordance with a suggestion made by me, because I foresaw a difficulty.

Senator DOBSON.—I do not think we should talk about the Standing Orders during this discussion.

Senator Lt.-Col. NEILD.—If, as I believe he is, Senator Dobson is a member of the Standing Orders Committee, the honorable and learned senator overlooks what he had a hand in framing. In any case, the President is keen enough to pull me up if I am out of order. I say that this is a general discussion. It has been very commonly ruled in the New South Wales Parliament that the adjournment of the House cannot be moved to discuss a motion which can be equally or, possibly with greater convenience, discussed on, say, the Estimates, that are then on the table of the House. I mention that as an illustration of the practice to which I have been accustomed. I think that the Standing Orders Committee might very properly consider the question of the anticipation of a debate, as provision has apparently been made in respect of the anticipation of motions. Here again arises a difficulty. A Bill introduced yesterday, is set down for its second reading on a certain date. That Bill in one of its parts, I find, deals with the self-same matter in respect of which I have had a motion on the paper for some weeks. It will be an interesting and pos-

sibly an intricate matter of discussion as to whether I can go on with my motion now that a Bill has been introduced which deals with the same question. I hope that the Standing Orders Committee will take some of these matters into consideration. What I have been saying about the Standing Orders of the New South Wales Parliament applies with equal force and as appropriately to the Standing Orders and practice of the House of Commons. We have, of course, eliminated all mention of the House of Commons from our Standing Orders, but though we cannot adopt their methods as a guide directly, we may perhaps learn a little wisdom from them. It is on account of this uncertainty as to the anticipation of discussion, or as to speaking twice on the same subject that I feel I am unable to go into the question of the Public Service classification to-day.

Senator GIVENS.—Then let other honorable senators do so. Why should the honorable senator block them?

Senator Lt.-Col. NEILD.—I am not blocking them. I am merely indicating the reason why I am not speaking on the subject to-day. But I give the Senate an absolute pledge that either on my motion already on the business-paper, or by some other direct motion, I shall raise certain questions for the consideration of the Senate. I will indicate now what one of those questions will be. I shall seek to ascertain the opinion of the Senate with reference to the removal, without fault, failure, or defect, on the part of the officers concerned, of certain officers from one class to another by which removal they have suffered disabilities and disadvantages which they did not experience in the position they occupied in the service when the Departments were taken over. On that point I shall ask the Senate to express an opinion as to the maintenance of the rights under the Constitution of certain officers from whom it is proposed by the classification scheme, to take rights which the Constitution guarantees. I make this announcement in advance so that honorable senators may know that when I do not go into these matters to-day, it is for a specific reason. I quite agree with honorable senators who say that we may discuss any rational matter relating to the Public Service of the Commonwealth. I take it that when we appointed the Public Service Commissioner, we passed over to



him all dealing with individual cases, and unless there were a case of so extremely gross a character that there was no other means of healing the wound than by bringing the matter before this Chamber, I imagine that there is not one honorable senator who would desire for a moment to bring forward individual cases. There is, however, a great deal of difference between making this Chamber a place for grievance mongering, and making it a place for the discussion of large questions of constitutional right and equity in dealing with the employés of the Commonwealth. Though I do not go into details to-day, I wish it to be clearly understood that I reserve my freedom of action on a definite motion, and not on an indefinite motion—or rather on no motion at all, because I regard this discussion as being on no motion, and as merely a beating of the air. As I shall, therefore, on some future occasion, ask the Senate to affirm some definite propositions with reference to the classification scheme, I shall not discuss it to-day, because if I did so I might be pulled up by-and-by under a standing order that seems to be capable of bearing two meanings. The Minister gave us some interesting information about paying £92 for four pictures that are openly offered in the Chamber for £3 3s. a piece. That is an evidence of extravagance, not on the part of the present Government, because I do not suppose they did it, but on the part of the many evanescent Administrations which the Commonwealth has been blessed with during the last few months. Which of them it was that did this thing I do not know; but I do not think it ought to have been done. The picture is not worth the money. The subscribers do not think it is worth the money, because after they have paid their money, they offer the picture back at a reduction. Senator Matheson offers openly for £3 3s. something which cost him very much more.

Senator MATHESON.—One was sold for £3 3s. in Perth.

Senator Lt.-Col. NEILD.—I know the case of an honorable senator who, having to write a cheque for £20 in fulfilment of an agreement, forwarded the cheque with an offer that the syndicate should take the copy off his hands at £15, but there were no takers.

Senator GIVENS.—Does the honorable senator think that a copy is worth 15s.?

Senator Lt.-Col. NEILD.—I would not pay for a frame for a copy, because it does not represent what took place. It is not historical. It is a fancy sketch of some gentlemen, who, observed from a little distance, look like a number of persons trooping out of a smuggler's cave. When I saw the thing in the Queen's Hall I never dreamt that it was anything more than a fancy sketch of a newly discovered mystery in the way of lime-stone caverns. When I got a little closer, I was quite surprised to find that it was supposed to represent something at which I was present, and which was very different. I am not questioning the art of the picture.

Senator DE LARGIE.—The honorable senator is not allowing room for the artistic imagination.

Senator Lt.-Col. NEILD.—I admit that the whole thing is artful. I beg to intimate to the Ministry that, if no one else does, I shall want to know who is to pay the cost of the advertisement for the syndicate, involved in the shipping of the picture from England to Australia, and taking it round the States. That is what it comes to, to speak plainly. A picture of that kind, the property of so august an owner as the high personage who accepted it, and has now lent it, cannot be travelled round in a packing case by itself. Two or three persons will be in charge of the picture, and it cannot be exhibited without a good deal of expense. We are told that it has been brought out here as an exhibit. For what purpose? Not to exhibit what took place, but to exhibit what a syndicate has for sale.

Senator WALKER.—The likenesses are good.

Senator Lt.-Col. NEILD.—If it comes to a question of likenesses, one can get a fine view of a portion of the top of the heads of some persons, and, right in the foreground, an excellent view of some other persons who were not present. All that is given in. Nature is not represented, but I believe high art is. I wish to know who is going to pay the freight, insurance, and salaries of the persons in charge, and take all the responsibility of this work of art. Is it to be done at the expense of the Commonwealth? I understand that it is. It is rather too bad, if the Commonwealth is to be converted into a respectable advertising medium for a syndicate. I shall certainly take some step, unless Senator Matheson intends to follow up the

matter. I do not wish to discuss the picture so much as the extravagance of buying such an exceedingly useless production and hanging it in rooms where it is calculated to give persons the nightmare. I object to the extravagance of paying £20 each for pictures which, as Senator Matheson says, are in the market for £3 3s. I also object to the evident intention of expending public money in a huge travelling advertisement for a syndicate's prints. I have taken up these three rational points, and spoken rather broadly, because I do not wish to go into too many details. I do not know that there is anything else I need talk about to-day. I have never spoken here before on a motion of this character, and if I have introduced one or two topics I was quite free to do so, and perhaps it may save time on another occasion. I hope that a very early opportunity will be afforded to the Senate to express an opinion *pro* or *con*, with reference to certain principles involved in the classification of the Public Service. I have not the slightest intention of submitting the case of an individual officer. I know of no such case. An individual case can better be fought out through the methods provided by the regulations, but the larger questions of constitutional right, of equitable right, and of general policy, are matters which no one for an instant can say ought not to be debated in a House of Parliament. Surely it cannot be maintained for one instant that when we placed in the hands of a very capable, courteous, and well-meaning gentleman—the Commissioner—very high and responsible duties, we parted with our duty as well as our right of maintaining as far as possible the principles of constitutionality and equity in dealing with the great body of the Public Service. I venture to submit that highly placed as members of any Ministry or Executive Council may be, they are not superior to Parliament. Ministers are made or unmade because of its action; Ministers and Executive Councillors are its agents. It is not possible for us to personally supervise the details of Ministerial office. It is absolutely necessary that there should be Ministers to administer, and these gentlemen, however highly placed, and entitled though they are to our utmost regard, are still the agents of Parliament just as we are the agents of the electors. It is a question of the delegation of authority throughout. The whole of the

*Senator Lt.-Col. Neild.*

people cannot sit in Parliament. In the old days the whole of the people used to sit in the Witenagamote, and as the rule became inconvenient Parliament was instituted. In like manner, as the power and size of Parliament increased, Ministers came into vogue to carry out the details, to be its agents, and not its superiors. I am sure that no one here will think that I seek to belittle the position of Ministers. On the contrary, it is a very high honour for any man to be the agent of a great body of the people. It is a very high honour for a Minister to be the agent of Parliament, but he is not its superior. I do not accept the proposition that because the Executive Council did not do a thing we ought to do nothing. That might be a very strong reason why we should act. If the Executive Council neglect their duty that is no excuse for us to neglect our duty. Where large questions of public policy and equity, and above all where the rights guaranteed by the Constitution, are concerned, the Senate, as well as the other House, has an inalienable right to step in and act.

Senator DE LARGIE (Western Australia).—I am very pleased that at last the Senate has been afforded an opportunity to criticise the classification scheme. At one stage of the proceedings I thought it was going to be denied to us. Parliament is an institution which must of necessity keep its ears open for complaints, and ventilate them when it is necessary. It is quite a mistake to think that the whole control of the Public Service has been handed over to the Commissioner. He has to be invested with certain powers to administer the Public Service, but the final court of appeal must always be the Parliament. It would be a very great mistake on our part to refuse to ventilate what we think are grievances after every other means had been taken to get them redressed. Boards of appeal were instituted to hear the complaints of public officers. The right of appeal has been exercised, and if any grievances remain unredressed it is a right and proper thing for either House of the Parliament to express an opinion thereon. Surely no one can cavil at an action of that kind. I cannot understand the attitude that has been taken up by certain honorable senators in reference to grievances which we know to exist in the Public Service. I do not think any one desires to go out of the way to say a harsh word

about the Commissioner. It is generally recognised that he has done his best to put the Public Service on a satisfactory footing. But I do not think that any man possesses all the knowledge and ability requisite to do a work of that kind properly. I believe that the Commissioner is the last man who would claim that he alone knew everything. I believe that he courts criticism on his scheme, and is anxious to learn the opinion of honorable senators, so that he may alter that which needs amending, and in that spirit, I wish to offer a few remarks. I cannot understand how Senator Dobson can assume such a strong attitude as he has taken up with reference to this matter. When the Public Service Bill was being discussed, there was no senator who was so hostile to the appointment of a Commissioner as he was. He moved an amendment to strike out the provision for the appointment. He roundly condemned any such appointment, and used language that was harsher than that of any one else who spoke on the subject. I also was opposed to the appointment of a Commissioner, and nothing that has since happened has altered my opinion. But evidently Senator Dobson has changed his view. Let me recall to the memory of the Senate what Senator Dobson said with regard to the control of the Public Service by a Commissioner in 1901. He said—

Senator Neild drew the attention of the Senate to what happened some years ago in the State which he represents, where the Public Service Act to which he referred was passed. The report of the Committee of which Senator Neild was chairman, shows that the Public Service Board of New South Wales committed some gross cases of hardship, cruelty, and injustice. I find that every word Senator Neild had told the Senate the other evening is more than justified by the unanimous findings of the Committee. . . . In accordance with the hint that something like £200,000 or £300,000 had to be saved with regard to the civil service the board went to work, and as the report of the Committee shows, committed some gross injustices. They got rid of men who had been 20, 30, and 40 years in the service just before they were entitled to pensions. Some cases of this kind were so manifestly unfair that Parliament afterwards undid the work which the Commissioners had done.

Things have been done under the classification scheme that cannot be permitted to go on without protest, and if we can show good reasons for undoing them, why should we not do so? But according to Senator Dobson, it appears to be impossible for the Commonwealth Commissioner to make any blunders such as have been committed by other Commissioners. Here is another

case which the honorable and learned senator pointed out during the same debate—

I commenced to look into this matter carefully two or three weeks ago, and since then two or three times a week I have seen paragraphs in the journals which lead me to suppose that there is more dissatisfaction existing now in the Civil Service of Victoria than exists in any other State of Australia, where I believe we have not the same amount of wire pulling. What do I find? I find that the teachers of Victoria in the State schools are all dissatisfied with their classification.

If the State school teachers of Victoria were dissatisfied with the work of the gentlemen who had the preparation of the classification scheme in this State, and that scheme could be criticised in the State Parliament, surely we have a far better right to criticise a scheme in which Federal officers are interested. Further on, in the same speech, talking about the dissatisfaction that prevailed, Senator Dobson said—

I made some inquiries in connexion with the Railway Department, and I am told that scandals have arisen there.

The honorable senator said that these things had occurred in consequence of the appointment of Commissioners to manage the service, and he condemned them on account of the gross abuses that had been committed in connexion with classification schemes drawn up by other Commissioners. But to-day Senator Dobson looks upon it as a horrible idea that Senator Stewart should suggest that the office of Public Service Commissioner ought to be abolished. Why this sudden change—this Jump-Jim-Crowism—to which, however, we know that he is so subject? Let the honorable senator look over the speech from which I have quoted. Then he will understand what I have said about him.

Senator DOBSON.—Suppose I do not want to understand?

Senator DE LARGIE.—That would be in accordance with the honorable senator's general attitude. His inconsistencies are so many that when they are suddenly brought under his notice he feels ashamed of himself.

Senator DOBSON.—I wish to be loyal to the decision of Parliament, and not to bring in political influence.

Senator DE LARGIE.—I wish to see justice done. So far as concerns political influence, I venture to say on very good authority that no member of the Senate has used political influence more than the honorable senator has done.

Senator DOBSON.—That is absolutely incorrect in every way.

Senator DE LARGIE.—There is a rumour going around to that effect, and he should be the last to complain. I have never waited on the Commissioner to use political influence of any kind. Can Senator Dobson say the same?

Senator DOBSON.—I absolutely deny the assertion. There is not a shred of truth in it.

Senator DE LARGIE.—The treatment that has been meted out to the letter-carriers by the Commissioner has been mentioned by several honorable senators. I would point out that in the opinion of the State Parliament, as expressed by the Premier of Victoria, those officers have been unfairly dealt with under the present scheme. We must remember that the people of Victoria, not of the Commonwealth generally, have to pay the salaries of these officers under the book-keeping arrangements. When the officers were transferred to the Commonwealth, they were assured that nothing would be done to decrease the salary of any one of them. Indeed, it is asserted that it is a breach of the Constitution to attempt to do so. If the Constitution is to be altered, let it be done by Act of Parliament in the proper manner; but so long as the section preserving to transferred officers all their rights stands, no matter what our opinions may be as to its desirableness, we should honestly abide by it. I desire to call the attention of the Senate to the opinions expressed by some of our leading men while the Public Service Bill was under consideration. It will be seen that they never dreamt for a moment that anything was likely to be done whereby the public servants of Victoria would be robbed of the rights which they brought over under the Federal Constitution. I know there is an opinion that letter-carriers should not receive such a salary as £150 a year. Some think that that is an exorbitant wage to pay for such work. But if we consider the responsible position which letter-carriers occupy, no reasonable person will think that £150 as a maximum is one penny too much. First of all, I will read the opinion expressed by Sir William Lyne when the Public Service Bill was before the House of Representatives. He said—

I wish to emphasize the point that in clauses 51 and 52 of this Bill, and in section 84 of the Commonwealth Constitution Act, there is a provision

to make it quite certain that no trouble shall arise with regard to transferred officers, and that all the rights that accrue to these officers who are taken over from the States will be respected. It will show to the public servants that we are not unmindful of their rights, and of the way we are directed by the Commonwealth Act to deal with them.

Apparently we have been unmindful of their rights, or we should not have allowed the present scheme to come into operation without making a protest. But Sir William Lyne is not the only member of the then Government who is now in office who spoke in the same manner. In order to strengthen the argument that it is unconstitutional in a classification scheme of this kind, to reduce salaries, I shall read what the present Prime Minister said when he was Attorney-General, and the Public Service Bill was under consideration in the House of Representatives:—

It will alter the grading to some extent. Supposing there be a man in the fourth class, and the Commissioner were to say he is only doing fifth class work, that officer is entitled to his salary, increment and accruing rights, while the Commissioner might say that his office is fifth class and not fourth class.

Later on in the same debate the present Prime Minister said—

Oh, they bring their salaries with them. Their salaries cannot be reduced, but they may be increased—a very fortunate thing for them. If their duties are graded higher they will be paid better; if graded lower they will not be reduced.

That I should say is explicit enough, and those words pretty well indicate the general opinion of members of the Federal Parliament at that time, namely, that the transferred officers brought their rights with them. The Constitution is so clear on the point that I do not see room for two opinions; yet we find that the salaries of letter-carriers in Victoria have been reduced from £150 to the present maximum of £138. That is a clear breach of the Constitution, which the Senate cannot allow to pass without protest. It may be urged that the object of the grading is to make for uniformity in the salaries of letter-carriers throughout the Commonwealth; and I can quite see the difficulty that might be raised by acting on my suggestion. At the same time, it would be far better to risk a difficulty of the kind than to commit a breach of the Constitution, and do an injury to the Public Service. The Government ought to give this matter mature consideration, and endeavour to remove the anomaly. I quite recognise that if these

larger salaries are paid, dissatisfaction may be created; but whether that be so or not, it is our duty to see justice done. I have very little to add to what has already been said with regard to district allowances. In Western Australia the cost of living is much higher as compared with the cost in the eastern States, and, unless something is done in the way of allowances, in order to make up the difference, the classification will not result in real uniformity. It is generally recognised that the cost of living is at least 25 per cent. higher in Western Australia than in the eastern States; and, in my opinion, that is rather under-estimating the difference. I know of many instances where the cost of living in Western Australia is 50 per cent. higher than in any other parts of the Commonwealth.

Senator WALKER.—In the gold-fields, but not in Perth.

Senator DE LARGIE.—Even in Perth, the cost of living is at least 25 per cent. higher than in Melbourne or Sydney. I can assure Senator Walker, who, I know, is anxious to see justice done, that if he compares prices in Perth or Fremantle with prices in Sydney and Melbourne, he will see that what I say is perfectly correct. I hope, therefore, that district allowances will not be confined to the gold-fields, but will be granted in some degree, to the letter-carriers and other members of the service throughout Western Australia. As Senator Pearce has pointed out, there ought to be a scheme prepared for allowances throughout the Commonwealth, and not merely for one State. I should like to draw attention to a matter connected with the Customs Department. I have been informed that, owing to a regulation, it is impossible for a Customs officer employed on outside duties, to obtain promotion to any of the inside positions. If there is such a regulation, it is the duty of the Government to see that it does not operate in such a way as to deprive officers of promotion. I have already mentioned this matter to the Minister representing the Minister of Trade and Customs, and I shall be pleased if the closest attention is given to it, with a view to obviating any unfairness. I know that other honorable senators desire to speak this afternoon, and I have abbreviated my remarks in the hope that the Government will redress the grievances mentioned, in such a way as to remove any ground of complaint.

Senator DOBSON (Tasmania). — Most honorable senators who have spoken do not

seem to clearly understand the rights of the Senate in this matter, though they contend that it is I who misunderstand the position. I never denied for one moment that Parliament has a right to discuss the matter. All I contended, when I raised the point of order two or three days ago, was that the question is not yet ripe for consideration by us. But what are we doing to-day? We are relieving the Governor-General in Council, which means the Executive, from a very responsible duty which the Public Service Act imposes on them, and which they ought to perform. Nothing can be clearer than that the Governor-General, or the Executive, may make objections to the grading and classification of the Commissioner, and that the objections thus raised have to be laid before Parliament, in order that they may be dealt with. It is very easy to see why two Governments have received classification schemes, and, saying nothing about the matter, have merely allowed them to come before Parliament.

Senator KEATING.—The two Governments did say something; both promised to allow the whole scheme to be discussed.

Senator DOBSON.—That merely accentuates my point. The two Governments did not comply with the obligation imposed by the Act, but in a very sympathetic and nice manner, said they would appoint a day on which the scheme might be discussed by Parliament. It is no wonder that the Executive shirk their duty, seeing that the requests of the letter-carriers, if granted, would mean an additional expenditure of £30,000 per annum. The Commissioner points out, as I gather from the speech of the Minister of Home Affairs, that if the salaries of these men are increased in the aggregate by £30,000 per annum, it will mean an expenditure of about £100,000 to similarly regrade the service throughout the Commonwealth. In their anxiety to discuss this matter, honorable senators are relieving the Executive of their responsibility to deal with the scheme and place before us the modifications and exceptions which they consider ought to be made. It would then be the duty of Parliament to deal with the scheme, in the usual manner, by an address to the Governor-General. I take it that the proper course is to send an address to His Excellency, pointing out that the Parliament approves of the scheme with certain exceptions, which they desire shall be brought under the notice of the

Commissioner. That is the course pointed out by the Act, and it is that course which honorable senators are helping the Executive to shirk. Senators de Largie and McGregor are so exceedingly anxious to exaggerate any point against me that they unintentionally misrepresent me again and again; and I should thank those gentlemen if they would cease to do so. I desire to be friends with the honorable senators if I can.

Senator O'KEEFE.—Is it not a good deal Senator Dobson's own fault?

Senator DOBSON.—I am not dealing with Senator O'Keefe, but particularly with Senator de Largie, who, in his speech just delivered, so exaggerated everything I have said on this matter that, unintentionally, I believe, he grossly misrepresented me.

Senator DE LARGIE.—I quoted the honorable senator's very words.

Senator DOBSON.—I recollect that I objected to the appointment of a Commissioner, because, in my opinion, it is the duty of the Government to control and manage their own servants, a duty which could be properly carried out if the Executive got rid of political influence. It is rather degrading to Parliament to say that we cannot get a single Government free from political influence, and capable of managing the Public Service. Those are the opinions I expressed when the Bill was before us, but Parliament was against me, and the Act was passed. Can I not loyally accept an Act which has been passed by Parliament without being told that I am changing my mind? Cannot Senator de Largie distinguish between loyalty to an Act of Parliament and opposition to that Act before it became law? All the remarks which Senator de Largie made on that point are beside the question, and, so far as they deal with my conduct, they are gross misrepresentations. I desire to be loyal, as I must be, to the policy which Parliament, by a large majority, has accepted. I do not think there can be two opinions about our discussing this matter before it is ripe. We are unwise to think we are well treated when the Government name a day for the discussion of the classification scheme, seeing that it is the duty of the Executive to discuss it in Cabinet, and give us the result of their deliberations. Had the Executive desired to be loyal to the Public Service Act they would have gone through the

classification scheme most carefully, or would have appointed the Secretary to the Minister of Home Affairs, or some one else whom they could trust, to do so. They might then have taken into consideration the whole of the appeals, considered the grounds on which they were made, how many were discarded, how many were allowed, and the reason for the action taken, and they could then have reported to both Houses of Parliament as to what objections, if any, could be taken to the scheme. I suggest, not that Parliament cannot discuss the scheme—that, of course, would be absurd, as we all know that we can discuss it—but that it is not now ripe for discussion. I am glad to think that honorable senators have done somewhat better than honorable members in another place in dealing with the question. They have considered that they should not deal with individual cases, but should discuss principles. I quite agree that in dealing with the classification scheme for a service of about 12,000 persons, principles only should be discussed by Parliament. But I find that whilst the first three speakers on the question in another place repudiated any intention to refer to individual cases, each of them wound up by bringing forward an individual case. One honorable gentleman brought forward two or three such cases, and said he had a dozen more with which he would not trouble the House. That, to my mind, is but a repetition of the evil which the Public Service Act was passed to remedy. I state unhesitatingly that the first great principle of that Act is to get rid of political influence, as far as possible, by the appointment of a Public Service Commissioner, and I have reiterated again and again that no matter what we do in that direction, Parliament does not, and ought not, to give up control. But we should use that control in the way pointed out by the Act, and we are not using it in that way. I direct the attention of honorable senators to what the Commissioner has to say, at page 44 of his report, on the subject of political influence—

As mentioned previously in this report, the appointment, promotion, and dismissal of members of the Public Service rests, in the absence of restrictive legislation to the contrary, in the hands of Ministers of the Crown. The past history of the States is not lacking in evidence of the unsatisfactory manner in which this power was at times applied. To possess the requisite political influence was in no small number of cases sufficient, not only to gain an appointment, but

also to insure rapid advancement in the Public Service. Under such a system influence was the primary factor; merit merely a subsidiary adjunct.

It is only with the growth of popular control over State affairs that such a system becomes effectually checked; and the majority of the States Public Service legislation of recent years has been directed to that end, by prescribing a definite system of admission to the services, and of advancement therein. In no other piece of legislation has that principle been placed in the foreground more prominently than in the Commonwealth Public Service Act—the expressed intention of Parliament being that ability and merit should be the indispensable and only conditions of appointment and promotion, and that, as a corollary, political or other influence should be relegated to the limbo of the past.

As Commissioner, I cannot but regard the effectuation of the will of Parliament in this respect as the most solemn obligation of my office. As stated subsequently in connexion with my remarks on the "Recognition of Public Service Associations and Societies," I shall always be prepared to receive suggestions from any source in regard to matters affecting the service as a whole, and such suggestions will at all times receive careful consideration; but as the office of Commissioner is for the most part a judicial one—

There is much virtue in the word "judicial"—

the impropriety of any attempted interference in the interest of any individual officer admits of no question.

Lest my remarks in this connexion may be misinterpreted it behoves me to state that, as regards myself, no attempt has been made by those in political positions to interfere with the free and unfettered exercise of the powers invested in me by the Legislature. At the same time, evidence is not wanting that some officers have, in contravention of the regulations forbidding such a course, appealed to outside persons for aid in advancing their individual interests. Regulation 43, interdicting such a course, and affording every officer a constitutional and proper means of bringing under my personal attention any ground of complaint, is as follows:—

"Officers are prohibited from seeking the influence or interest of any person in order to obtain promotion, removal, or other advantage. Any officer who considers that his claims for promotion or consideration have been overlooked may write a statement of his claims to the Chief Officer, who shall forward, without delay, such statement, with any remarks he has to make thereon, to the permanent head, who shall transmit it to the Commissioner for consideration."

I believe that regulation 43 is being very grossly violated. I believe that some members of Parliament are acquiescing in that violation by listening to the complaints of individual officers instead of referring them to the Act which Parliament has passed, and telling them to bring their cases before the proper authority, when they will come before Parliament in due time. There is no such thing as an officer having

a claim being aggrieved or being unjustly treated without the knowledge of Parliament, because, if we permit the proper administration of the Act, as a last resort, every such case will come before Parliament.

Senator Lt.-Col. NEILD.—Oh!

Senator DOBSON.—Have I not been saying so all along?

Senator Lt.-Col. NEILD.—The honorable and learned senator has all day been denying the right of Parliament to do any more than acquiesce in the scheme. I have so understood him, at all events.

Senator DOBSON.—Have I not said that when the Executive made their report on the classification scheme, the proper way would be to move an address to the Governor-General, saying that we acquiesce in the scheme with certain exceptions and modifications, and in such an address we could deal with hundreds of grievances.

Senator KEATING.—The Governor-General does not need our acquiescence.

Senator DOBSON.—He does, if Parliament is to have the last say in the matter.

Senator KEATING.—But it is not.

Senator DOBSON.—I say that it is, to some extent. It may not be our acquiescence, but we have a perfect right to say that we object, and we can ask the Governor-General in our address to bring our objections under the notice of the Public Service Commissioner.

Senator KEATING.—It is better that they should be brought forward now, so that the Commissioner may have an opportunity of hearing both sides.

Senator DOBSON.—Of course, my honorable and learned friend, in his desire that the Government should back out of all responsibility, will say that it is better.

Senator KEATING.—The Government, that was supported by the honorable and learned senator, promised this, and we are fulfilling the promise.

Senator DOBSON.—The Government I supported has disappeared, and another Government is now in office, the members of which desire to avoid every duty that might invest them with any responsibility, or might put some backbone into them.

Senator KEATING.—The honorable and learned senator does not understand the Act, or he would not talk so wildly.

Senator DOBSON.—I think I do understand the Act. I shall refer honorable senators to the Public Service

Commissioner's comments on a section of the Act on which, I think, we agreed unanimously.

Apart from the extreme impropriety of attempting to secure outside influence, officers cannot be too early warned of the great danger attending such a course of action. Not only does such conduct at once discount the *bond fides* of the claims of an officer resorting to such a practice, but by so acting such officer renders himself liable to the punishment prescribed by section 46 of the Act, not the least serious of which is dismissal. All the rights of officers are amply safeguarded by the Act which, by establishing Boards of Appeal, provides abundant means for the impartial investigation and redress of legitimate grievances.

If honorable senators will read section 46 they will find that the punishment which can be meted out to officers seeking political influence in support of their cases is exceptionally severe. I am not at all certain that members of Parliament do right to receive the documents which have been sent to them on behalf of the letter-carriers. I got one this morning, marked "urgent." I opened it very quickly, thinking it might have something to do with the business of the Senate, and so it had. But these gentlemen are violating the provisions of the Act, and every one of them is in my opinion liable to punishment.

Senator CROFT.—If they sent a circular to the honorable senator it must have been by way of a joke.

Senator DOBSON.—When forcible arguments are being used, it is the practice of some of my honorable friends to simply turn them into a joke. Do my honorable friends believe that it is a huge joke to make a regulation having the force of law, and then to permit hundreds of men to break the law?

Senator CROFT.—The honorable senator misunderstands me. I say that it was a joke to send him a circular.

Senator DOBSON.—I do not misunderstand the honorable senator, who is trying to make a joke at my expense out of a very serious matter. I regard the well-being and just treatment of the civil servants as one of the most important things which could engage our attention, but so long as political influence is exerted on their behalf it will not make for justice. I hear honorable senators talk about treating the public servants generously. I do not understand the expression. We should rather treat them fairly, as compared with each other, with men occupying similar positions outside, in accordance with the state of our finances, and in accordance

with the Constitution, which has embedded in it certain rights possessed by the civil servants.

Senator PEARCE.—Does the honorable and learned senator consider it a breach of the regulations that a number of civil servants should appoint an elected representative to approach members of Parliament to lay before them, not individual grievances, but matters of general principle?

Senator DOBSON.—I think it is. Nothing could be plainer than the regulations which forbid any public servant to seek outside interference.

Senator PEARCE.—For himself.

Senator DOBSON.—My honorable friend wishes me to admit that the Act permits a civil servant to represent the grievances of a number of his fellow-officers through a member of Parliament. By-and-by the honorable senator will probably assert that the public officers are charged with the duty of seeing honorable senators to put their cases before them. I see of nothing of the kind in the Act. What is suggested is merely again opening the door to political influence, and that is a very great mistake. I have noticed that honorable members in another place, in bringing forward grievances, have objected to the form of appeal board provided, on the ground that it is not fair. I think that it is a very fair board. We passed the Public Service Act, and twelve months afterwards, because certain men say they are dissatisfied, honorable members in another place contend that the Act is all wrong.

Senator Lt.-Col. NEILD.—I do not think that the honorable and learned senator is justified in saying such things.

Senator DOBSON.—The appeal board consists of three officers, one of whom is the inspector, who may have had a good deal to do in advising the Commissioner as to the grading of the men. He could not be eliminated from the board, because every detail in the comparison between officers of the same branch of the service is most important. As a set-off against the inspector, there is a public servant elected by his fellow-officers to represent their collective and individual interests. Then we have the chief officer of the Department, in which the public servant who claims that he is aggrieved is employed. We know that a Customs officer will speak up for men in his Department as against men in the Post and Telegraph Department,



and *vice versa*; and it appears to me that any unconscious bias supposed to be in this appeal board is rather in favour of the officer making an appeal than against him.

Senator MCGREGOR. — Did the written document which the honorable senator received this morning contain a reference to any individual claim?

Senator DOBSON. — No.

Senator MCGREGOR. — Then what is the honorable senator talking about?

Senator DOBSON. — It did not contain a reference to an individual claim, but to a claim which affects some 1,500 men, more or less, and although it commences "Sir," it is not signed. The very form of communication adopted shows, on the face of it, that these men are aware that they are contravening the regulations.

Senator KEATING. — I do not think any one but the honorable and learned senator would hold that such a circular is a contravention of the regulations.

Senator DOBSON. — I absolutely differ from Senator Keating. I do not know how any one who reads the regulation could say anything else. I do not know whether the change in my honorable and learned friend's position has slightly turned his large head.

Senator Lt.-Col. NEILD. — Or some one else's little one.

Senator DOBSON. — It seems to me that he has taken an extraordinary point. I quite admit that there are some very intricate constitutional points affecting the meting out of justice to our public servants. Senator Millen very clearly established the contention that injustice appears to have been done in one instance, but how we are to get over the difficulty, I do not know.

Senator Lt.-Col. NEILD. — Will Senator Dobson say that it was an impropriety to bring forward an injustice of that character, seeing that the honorable and learned senator admits that it is an injustice?

Senator DOBSON. — As I have already pointed out, there is a proper way in which to bring forward these matters. If civil servants think that it is a short cut to go to members of Parliament with their grievances, all I can say is that the law forbids them to do so, and it is of no use for us to make laws and regulations which are to have the force of laws if they are to be broken. I say we should carry out the law. The injustice suggested in connexion with the grading of letter-carriers appears to have some foundation, but the Public

Service Commissioner has given two or three answers in which I think that to some extent he meets the objections raised. There are arguments on both sides. I desire to point out that the celebrated section 19 of an Act passed in the State of Victoria, three or four days before Federation was achieved, is a very mischievous section, and may cause the very greatest embarrassment. We can only mete out exact justice to every one of our 12,000 public servants by altering the Constitution and some State Acts. I hope, however, that we shall give the fullest measure of justice we possibly can. In another place I heard honorable members speak of some wrong having been done, but the action taken was in accord with the spirit of the Act. Suppose that a telegraph operator has been working at the instrument for ten or fifteen years, and is getting old and stale, possibly through the wear and tear of the work, and that younger men have come in with better hearing and smarter fingers, who can send as many messages in three hours as the older man could send in four or five hours. It may be that they are placed above the older man simply because they are better officers. What is to be done in these circumstances? I understand that men who are getting stale at operating can be advanced, though not at once, to other situations. But if you intend to carry out the bed-rock principle of the Public Service Act, if you intend to recognise ability and efficiency rather than seniority, there must be hardships. It is always a hardship to an old servant to have a younger man placed over his head, but that is what we shall all have to put up with at some time or other. The Commissioner has a most difficult duty to discharge. Senator Stewart says that he may move that the Commissioner be removed from office, simply because, in his opinion, a few mistakes have been made. But I think that every one of us ought to back up that officer. We ought to help him to do away with any discovered anomalies when the proper time comes, and to do fuller justice than he has done. We ought to do ample justice and fairness to all civil servants in every possible way; but we cannot afford to be generous. This question of the Public Service may become a gigantic one. I have here an article from *The Times*, which will show the importance of this question when a large number of men have to be dealt with. When you have to grade 1,500 letter-carriers in one branch

alone, you cannot grade men who are doing exactly the same sort of work in the same way as you can grade clerks into junior clerks, junior and senior letter-writers, junior accountants, and junior and senior copyists. In the clerical division there are scores of grades, which cannot possibly exist in the general division. Therefore, you cannot have the same number of grades in each division. Commenting on the debates on the Estimates for the Post Office at home, *The Times* refers to Lord Stanley's statement in these words—

He observed that if all the claims now put forth by these gentlemen were conceded the additional cost to the taxpayer would be no less than £2,500,000 per annum. Nor would this concession put an end to the agitation, for the advanced section of the Post Office employes have frankly declared it to be their opinion that the whole of the profits made by the Post Office should be paid over to them.

The profits amount to about £4,000,000, and the employes have already suggested a scheme whereby £2,500,000 would be handed over at once, and if their other scheme were acceded to the whole of the profits would be handed over. The article goes on to say—

Lord Stanley now announces concessions which will cost the taxpayers at once £224,000, and ultimately £372,000.

So that they are giving away £372,000, as against the £2,500,000 demanded by the employes. *The Times* goes on to say—

There is, however, a much larger and more formidable question involved than that of mere increase of wages.

Senator Stewart said the Commissioner had nothing to do with the amount to be spent, as that was a question of policy. In grading the officers and allotting the salaries he has a very great deal to do with finance, and we should think him a very incompetent officer if he did not keep finance before him at every stroke of the pen and thought of the brain. *The Times* proceeds to say—

It is a question which, as the Chancellor of the Exchequer observed, goes to the very root of our political system, and threatens the independence of Parliament itself. That question arises out of the methods employed by the organized Post-Office servants. There are 183,000 of them, and there are 670 members of the House of Commons, which gives an average of 270 Post-Office servants to each seat.

There you see again the absolute necessity of getting rid of political influence, and adhering to the law as strictly as possible. Ministers are neglecting their duty in encouraging members of Parliament to abrogate that principle.

Senator Dobson.

Senator STYLES.—Does the honorable senator intend to convey that the members of the Senate are wrongly influenced by public servants?

Senator DOBSON.—No. I was contending that we should not be interviewed or written to by public servants. But as my honorable friend has asked me a question, let me give an answer. If a public servant meets an honorable senator in the street or in his office, very naturally he puts every point in his own favour, and omits to state any point against himself. He does not bother about the position of any other person in the Public Service. After listening to the man for five or fifteen minutes, the senator would come away—I know I should—unconsciously biased in favour of the friend who had been button-holing him. It is that kind of button-holing and influence which the Act and the regulations forbid. Is it not apparent that when a public officer comes forward with his individual case, he wishes to talk about himself and get promotion? Whatever his record may be, he will only tell you what is good of himself. It was very amusing to me to hear some honorable members in another place ask for a free and fair discussion so that the facts could be fully stated. The idea of a free and fair discussion in a House of Parliament bringing out the facts in regard to 12,000 public servants!

Senator PEARCE.—Why lecture us about what happened in the other House?

Senator DOBSON.—I am not lecturing my honorable friend, but pointing out how easy it is for members of Parliament, when appealed to by their constituents, or by other men who want a favour at their hands, to imagine that they are small Gods Almighty—that they possess all kinds of power. Honorable senators have no right to talk to the public servants if they wish to uphold the law.

Senator STYLES.—A man who could be influenced by a statement like that is not fit to occupy a seat in the Senate.

Senator DOBSON.—My honorable friend has forgotten that all this has been gone into before, and that both Houses of the Parliament almost unanimously said, "We are not to be trusted with the management of the Public Service." If the honorable senator objects to that let him object, not to what I say, but to the action of the two Houses. He took part in the debates, and if I were to turn up the records

probably I should find that he approved of the appointment of the Commissioner.

Senator STYLES.—I do not know that I did.

Senator DOBSON.—I can quite understand members of Parliament nowadays trying to get all the power and perquisites they can.

Senator STYLES.—Is it in order, sir, for the honorable and learned senator to say that members of Parliament try to get all the perquisites they can?

Senator DOBSON.—I withdraw the expression, sir. I was only alluding to the fact that in to-day's newspaper there is the report of a speech in which a man is said to want more salary, and that a notice of motion has been given in another place that he should get more salary. Members of Parliament who desire to increase their importance, and to obtain more power than they have, forget that the Public Service Act, for the good of the country, took away some of their powers. When they try to regain those powers, they stultify themselves and Parliament. Is it not patent that they are disloyal to their own Act? Senator Styles is thinking of the good old days when members of Parliament were run after by public servants, and when that was allowed.

Senator STYLES.—I am thinking of the good old days when a man said what were the facts when he addressed the House.

Senator DOBSON.—If my honorable friend will show me where I have not stated facts, I shall be very happy to correct them. I was struck by the statement that the maximum grade for the country carriers was larger in all the States than it appears to be by the classification. The difference is not very large—£138 against £140 and £150. It is perhaps open to question whether the maximum allowed by the Commissioner is not a little too low. I do not say that it is or that it is not. But that is one of those things which we, by an address to the Governor-General, could ask the Commissioner to reconsider. I do not think that honorable senators quite understood, or even understand now, what is the right meaning of the provisions relating to the boards of appeal. After we had devoted weeks to the consideration of the Bill, boards of appeal were provided for.

Senator STANFORTH SMITH.—The provision was discussed on the second reading of the Bill.

Senator DOBSON.—It was sought to almost take away the control of Parliament, but I have said over and over again that we refused to give up absolute control, and provided for boards of appeal. If it is thought that they are not fair boards, they could be constituted differently by substituting for the inspector a trained magistrate. On the other hand, the whole of this classification scheme is a most delicate piece of business. I am inclined to think that on each appeal board, we need a man who has helped to build up the scheme and knows perfectly well that if one brick is altered, the whole structure may tumble down, or injustice may be rendered. The farce of talking about individual cases, or listening to them, or even of talking about cases represented by scores or hundreds, is that when you deal with those cases, you do not know what other alterations you may have to make. No one who has not studied this business for months and years, as the Commissioner and his inspectors have done, could possibly say what the effect of certain alterations would be. All that I ask honorable senators to do is to carry out the Act, to have as little political influence as we can, and not to think we are doing any good by allowing public servants to appeal from the boards, who are well advised, to members of Parliament, who are ignorant of the circumstances.

Senator MCGREGOR (South Australia).—I am very pleased to learn that even Senator Dobson finds some justification for objecting to this amended classification. The very fact that it was amended shows that notice must have been taken of comments made somewhere, and the necessity for amending the scheme been made clear.

Senator DOBSON.—It was amended in accordance with the appeals.

Senator MCGREGOR.—I should be very sorry for the honorable and learned senator to imagine for one minute that I would endeavour to misrepresent him. I was only judging his attitude towards the public servants, and towards everybody else who has to earn his living, with the exception of himself, by his past expressions and actions when dealing with that section of the community. He has said a good deal about the influence which is brought

to bear upon members of Parliament. Has any individual member of the Public Service attempted to influence Senator Dobson? Will the honorable senator answer that question? Has any member of the service interviewed him with respect to a particular case? If not, why should he assume that officers have interviewed other members of Parliament? No public servant has come to me with any particular grievance. But if officers have tried every legitimate means of redress, I do not see that there is any other course open to them but to come to a member of Parliament. Those who object to the citation of any particular instance would be the very first when a general complaint was made, to say, "Can you give us one instance where an injustice has been done?" Unless one knows of an instance, it is impossible to give one. It is the duty of any honorable senator who takes an interest in the affairs of the country to find out all he can; and if crotchety representatives, like Senator Dobson, demand individual instances, we ought to be prepared to give them. But I did not rise to object to Senator Dobson's opinions. All of us have a right to our own views, and it is only by an interchange of opinion that we can arrive at a sound conclusion, and give an indication either to a public officer or to the Government as to what we think ought to be the proper method of administration. Although to a certain extent I agree with Senator Pearce that we are somewhat hobbled in connexion with this question, yet I think that the debate will have a beneficial effect ultimately. I should be the last to make a threat. I do not believe in threatening. But there are means at the disposal of Parliament for redressing grievances, not only in connexion with the Public Service, but with the public generally. I wish to point out one or two instances, apart from anything that has been put before me by any section of the Public Service, but resulting from inquiries made by myself and others as to the effect of the classification. The first point is that boys enter the service as telegraph messengers. According to the Public Service Act, at the age of eighteen, if no suitable employment can be found for them in any other positions, they have to leave the service. That is all right so far as the Act is concerned. But when a boy enters the service as a messenger, and is diligent enough to prepare himself to pass any Public Service

*Senator McGregor.*

examination to fit him for another position, it seems to me that he has some right to a little preference. But, according to the treatment meted out by the Commissioner and his officers, when such a boy reaches the age of eighteen he is told, "If you want to join the Public Service, you must be treated as one of the general public, make application, and pass the same examination." I do not think that is fair. The Department, having had several years of that lad's services, and he having had several years' experience, it would only be fair, and in the interest of the service, that the boy should have some consideration as distinct from persons outside the service altogether. There is another grievance against the administration of the Act. When it was under consideration in both Houses of this Parliament, it was made clearly evident that when a woman in the Public Service was doing exactly the same work as a man, Parliament desired that she should receive the same remuneration. I declare emphatically that the Public Service Commissioner, his inspectors, and all those in authority, are prejudiced against the opinion of Parliament, and are not carrying out that intention. If Senator Dobson, or any one else, wishes to have instances, let him come to me, and I will point them out. I do not desire to occupy time in selecting individual cases which show the necessity for criticism, but I ask honorable senators to think over the matter, and if they are impressed with the point, I will give them instances if they cannot find them for themselves. Of course it may be said that if this policy is carried out, it will result ultimately in women not being employed at all. But those women who are already in the service should, according to the intention of Parliament, whether more are employed or not, receive equal treatment. If we employ men under the conditions that this Parliament set forth in the Public Service Act, the men, instead of working side by side with women in the departments, will probably be in a position to get married, and work side by side with the women in another sphere. I should like the members of the Government to take notice of this point in regard to the female portion of the service, apart from anything that may be done in connexion with the introduction of more women into the departments. It has been stated by the Public Service Commissioner that officers doing the same work, or occupying the same positions in different

States, are to receive the same remuneration and be treated in the same manner. This is not being done. I wish to know why the inspectors under the Act are all treated alike in respect of salaries, whilst other officers are not? I do not say that the salaries of the inspectors are too high. I believe in paying those who are servants of the State ample salaries in accordance with the duties they perform. I do not think that the inspectors are paid too much. It is quite right that they should be treated alike. But is the same thing done in connexion with other departments? I think not. In the Customs Department in Sydney there is one examiner for the State who is getting about £360 a year. There are two examiners in Melbourne getting £485 a year, and there is one in Adelaide getting £335 a year. Is that treating people who are doing the same work in the same manner? It may be said that the duties performed in Adelaide are not the same as those performed in Sydney, which is a larger city. But look at the disparity between the salaries paid in Melbourne and in Sydney, where the duties are similar, and consider that there is only one officer in Sydney, whilst there are two doing the same work in Melbourne. I want to know the reason why, and hope that the Minister in charge will be able to give some information. I hope that the Commissioner will look into the point, and see whether matters cannot be adjusted on a more equitable basis. Although the whole scheme may bristle with points calling for criticism, I am only attempting to deal with those that appeal to me most urgently. I have every sympathy for the Commissioner. I believe that he is honestly doing his very best to make the service a credit to the Commonwealth. It is the duty of Parliament to assist him, and the only way in which we can do so is by pointing out anomalies and endeavouring to show where, in our opinion, changes for the better can be made. That is all that I intend, and I am sure that it is all that a number of other honorable senators intend. My next point is in connexion with the general division. A number of honorable senators have referred to this matter, and all I desire to do is to ask why any man—or woman—should be debarred from rising from the general division to any position in the service. I have not the least doubt that the Commissioner and his inspectors, and, probably, any member of the Execu-

tive Council in this Senate, would say that officers of the general division may rise to the highest positions if they qualify themselves. It must be remembered, however, that this promotion can only be obtained by entering into competition with candidates from outside; and I do not consider that is fair. Officers in the service should receive some consideration, if they exhibit ability and knowledge which suit them for any position to which they aspire. An instance, showing the unjust working of this regulation, has been brought under my notice in Victoria. In the past in that State it was the custom in the Postal Department to promote members of the general division to the position of supervisor or assistant supervisor in that division; but under the classification scheme, those positions have been placed in the clerical division, and thus men in the general division are shut out entirely. If a man from the general division were appointed it would mean promotion to a salary of £240 or £250 a year; but under the classification scheme, instead of appointing a man of experience, and accustomed to the work, a member of the clerical division may be appointed at a salary of £300 or £350 per year. I ask the Minister to take this matter into consideration, and see whether the injustice cannot be removed. I think I have stated some facts and arguments which are worth some little consideration, and I hope the advice of the Executive to the Public Service Commissioner will result in benefit to the Public Service, and to the people generally. There is nothing that would give greater satisfaction in Australia than a contented Public Service, working harmoniously in the interests of the whole community.

Senator WALKER (New South Wales).—I listened with great pleasure to what Senator McGregor had to say, but there was one point in regard to which he is under a misapprehension. There is a means by which members of the general division of the Public Service can be transferred to the clerical division. Section 41 of the Public Service Act provides—

The Governor-General may, on the recommendation of the Commissioner, after obtaining a report from the Permanent Head—

- (d) with the consent of any officer, transfer or promote him from any one division to any other division, and, in the case of transfer or promotion from the general to the clerical division after such examination as may be prescribed.

I am glad that there is this provision in the Act, because, if we are to have a Public Service in which there is a proper *esprit de corps*, every officer should have the opportunity to rise to the highest position for which his abilities fit him. I am with those who think that £3 per week is not too much to pay letter-carriers of long experience, and, therefore, the maximum of £138 does not appeal to me as sufficient. As to promotion, it is always desirable to have an understudy capable of taking the place of the superior officer in case of necessity. I am glad that the Public Service Commissioner recognises that point. In his report he says:—

Considerable friction has been caused in the past in temporarily filling vacancies by the practice of allowing a junior officer to take up the work pending the making of a permanent appointment. As some time may elapse before it is possible to make a permanent appointment, the temporary occupant of the position is afforded an opportunity of learning the work, and thus making himself more efficient than his seniors, who have not been allowed an equal opportunity. In temporarily filling a vacant position, the practice should be followed, as far as possible, of selecting the officer who is senior amongst those who may have claims for the position, and this practice should not be departed from, except for very good reasons.

It is quite evident that the Commissioner is very anxious to have the Public Service as attractive as it can be made, consistent with efficiency. I do not think that the Commissioner will act with any hide-bound strictness, but, as circumstances arise, he will devise means of promoting deserving men from one division to another. There is another paragraph in the Commissioner's report, which appears to be most reasonable—

The point to be kept in view is that because an officer, through force of circumstances, has been appointed to a particular position, his future outlook is not to be permanently blocked. To a certain stage it is intended that the prospects of officers shall, as far as possible, be made equal—consistent with good conduct and ability. It is probable that in the early periods of the Commonwealth service, and until sufficient time has elapsed for the new conditions to have due effect, departures from the principles contained herein may be found advisable. Cases of such a nature will probably arise, and will necessitate special action, but, as far as possible, any action taken will be on the lines indicated, and with a view to rendering circumstances favorable for their general adoption.

Senator Stewart made allusion to wharf labourers being expected to attend on the wharfs from early in the morning until late at night, and expressed the opinion that

*Senator Walker.*

they ought to be paid for that time. But wharf labourers, unlike public servants, are paid by the hour, and they can please themselves whether or not they remain in attendance. I take it that the shipping authorities simply mean that certain wharf labourers are expected to be there in case their labour is required; though Senator Stewart seemed to think that I was hard or harsh in suggesting that it was unreasonable for these men to expect to be paid for the time they wait. However, that is a matter that does not affect the Public Service. Many a man who passes an examination in the first instance, when he enters the service, might not be able, years afterwards, to meet the same educational test; and where an officer has been transferred from a State to the Commonwealth, and has already passed an examination, I think he ought to be permitted to rise without being called upon again to undergo the ordeal. With regard to district allowances, Senator de Largie spoke as if the cost of living in Western Australia is at least 25 per cent. higher than in other parts of the Commonwealth. The honorable senator may be correct; but, in an institution over which I have a certain control, we find that the clerks who receive an allowance of 12½ per cent. while in Western Australia, rather grudge returning to duty in the east. These men, at all events, seem to think that 12½ per cent. just about represents the difference in the cost of living as between Sydney and Melbourne, and Perth and Fremantle. I admit that in some places in Western Australia, an allowance of 20 per cent. would not be too much. Senator McGregor asked Senator Dobson if he had been approached by any persons and asked to use his influence in regard to the public servants. If Senator Dobson has not been approached, I certainly have been—not by a civil servant himself, but by his father. I shall read an extract from the reply which I sent, in order to show the ground which I took, and which I believe every other honorable senator would take under similar circumstances. I wrote—

In reply, I have to say that it is a distinct understanding that members of the Commonwealth Parliament are to refrain from using any so-called "back-door" influence to get promotion or appointments for their friends in connexion with the Commonwealth Civil Service. All appointments rest with the Public Service Commissioner. Under these circumstances, your son should write an official letter to the head of his Department, asking that he may be put in a position to become an applicant for the position

he seeks. I believe that will mean some examination. You can easily understand that my life would be simply made miserable if it were understood that I was to constitute myself a means of trying to get promotion or appointments for persons in the Civil Service.

An allusion was made to the Postal Department in the United Kingdom, and to the enormous number of officials there employed. It was pointed out how many of officials there were in the English Post Office to each member of the Imperial Parliament; and I have calculated that the 1,500 Post Office employés in the Commonwealth Department represent thirteen to each of the 111 members of the Federal Parliament. I do not believe that the general body of the Post Office employés have any wish to break the regulations, but, as has been observed by Senator NEILD, where there is some general principle on which they desire to raise an objection, surely they might be allowed to address the head of the Department in order to have the anomaly removed.

Senator Lt.-Col. NEILD.—They have done so, and they have even submitted counsel's opinion without effect.

Senator WALKER.—Our desire is to do what is just to all our public servants, and I hope that there will be a thorough understanding that each officer will have an opportunity of rising on his individual merit.

Senator HENDERSON (Western Australia).—I do not wish to detain the House, but this is a matter on which honorable senators ought to express an opinion. At the outset, I recognise, with other honorable senators, that an extremely difficult task was presented to the Commissioner; but, having said so much, we also recognise that injustices have resulted from this great scheme. Whether those injustices could have been avoided is altogether another question. For myself, I am rather inclined to think that many were unavoidable, though, on the other hand, there are cases in which I think that, with greater care and attention, anomalies might have been obviated. I wish particularly to enter my protest on behalf of the officers employed in the lower grade of the postal service, and I base that protest on the remarks made by Senator Dobson. That honorable senator gave us clearly to understand that officers in both grades of the services must not only be citizens of the highest quality, but must be owned body and soul by the Public Service—that they must have no

individual rights. It would appear that there is nothing for a public servant but to remain a public servant for twenty-four hours of every day. Such conditions appear to me to be rather cast-iron in their character. But in such conditions, the first consideration ought to be to give these men at least recompense for the work we call upon them to perform. The reduction from the salary of £150, in the case of the letter-carriers, to the £138 maximum, is one that can scarcely be justified. We have not heard an argument by which such an extraordinary proposal can be defended. Then, again, not only has the maximum been reduced by so large a sum, but prior to the compilation of this classification scheme there were opportunities of promotion open to the letter-carriers, by which, in isolated instances, certain members of that branch of the service could rise to a grade in which they might at least receive a respectable salary for their services. But under the grading system adopted in the classification scheme, it appears quite clear that these opportunities are now closed to the letter-carriers. I apprehend that, being debarred to the lower grade of letter-carriers, these positions are to be offered to officers in other branches of the service who are much better paid to start with, and who have altogether superior opportunities of advancing in the service from time to time. The particular instances to which so much reference has been made need not be quoted, but I may signify the positions to which I refer. For instance, the members of the general division of the service have hitherto had an opportunity of rising from letter-carrier, mail-officer, and so forth, to the positions of assistant supervisor and supervisor. But by the classification scheme these two offices have been entirely cut off from the general division. Consequently, men now in the general division of the service, and those who may yet enter it, may remain at the maximum of that division, whatever it may be, without any opportunity whatever of getting one step higher in the service. I am with honorable senators who have already stated that they believe in equal opportunities and equal facilities to advance being given to all members of the service. Under whatever scheme it may be brought about, it is a disgrace that certain favored positions in the service should be reserved for a special few. We ought to encourage efficiency, good conduct, and everything that

is highest and noblest in those engaged in our service. There is certainly no better way of doing that than by offering to those who display zeal, ability, and honesty of purpose the reward of the highest positions in the service. Why should we build up a sort of Civil Service caste, create a ring of officers, and say that they and theirs shall retain the right to certain positions until the end of the day of grace, whilst others, who are equally plodding, must go along from day to day without any possible hope of getting higher in the service? I wish to say, in connexion with the appeal boards, that a certain course of action in respect of men who have committed offences has been very wisely provided for. In making provision for a board by which persons offending may be examined, and their conduct inquired into, the Act is to be lauded. But when we come to deal with the composition of the board of appeal, I am not so sanguine about the utility of the provision made. However advisable it may be to have an inspector on an appeal board—and I believe it is advisable—we have to recognise the fact that when an inspector appears on the board with the representative of the man appealing the chief officer of the branch being chairman of the board, will be much more closely connected with the work of the inspector than with the work of the individual appealing. Consequently, I believe that a number of appeals that might be made would receive very scant consideration at the hands of an appeal board, from the very fact that the men who have to sit and adjudicate upon them are the men whose action is really the cause of those appeals being made. How can we expect public servants who feel themselves aggrieved to be satisfied with the decisions of a court of this character? My own opinion is, that whatever may be the form of appeal board decided on it should represent both sides equally, and, instead of having a high officer of the service as chairman, it would be infinitely more judicious to have some man who would be able to give a decision unbiased by any previous connexion with the question on which the appeal is made, and I should personally prefer that the chairman of each appeal board should be a Supreme Court Judge. I hope that the discussion which has taken place will at least convince the Government that, in the opinion of certain honorable senators, the classification scheme

*Senator Henderson.*

is by no means as satisfactory as we hope it will be made in the future. I trust that such amendments will be introduced as will redress first of all those wrongs which appear so evident in the treatment of the letter-carriers, and that, above all things, there will be removed from the scheme any such thing as the grading of officers whose salaries are less than £150 a year.

Senator O'KEEFE (Tasmania). — A great deal has been said about the position of the letter-carriers under the classification scheme. In going through the scheme, I made a number of notes of matters which I thought ought to be brought under the notice of honorable senators, but many of the principal points with which I proposed to deal have already been referred to by previous speakers. I shall consequently have very little to say. Briefly, I thoroughly indorse all that was said by Senator Pearce in reference to the letter-carriers. I do not ask for generosity in the treatment of the letter-carriers or any other class of employes in the service. One honorable senator has said that the Federal Government should treat the Public Service generously, but I incline to the belief that we shall be on the safe side if we treat them fairly and justly, and do not trouble our heads about generosity. If we extend to them the fair play and justice which are extended by private employers to their employes, we shall do all that can be expected of us, and all that we are expected to do by the majority of the employes in the service of the Federal Government. One or two points connected with the case of the letter-carriers have not yet been touched on. These are points which have been discussed by letter-carriers' associations throughout Australia, and which affect these public officers as a body. They feel somewhat sore about their treatment, and I think we are well within our rights in submitting our views on their case to the Public Service Commissioner. I may say something as to the immense amount of work which has been done by the Commissioner. I feel satisfied that he has done his very best according to the evidence before him to be fair and impartial. At the same time, we should be giving up our rights altogether were we to admit that we cannot discuss this classification scheme. As regards the poor chance of promotion for letter-carriers, a striking instance is afforded by the fact that during the last



thirteen years there have been only fifty-three promotions in Victoria, fourteen promotions in New South Wales, and not one promotion in the other four States. The letter-carriers of the Commonwealth number 1,500, comprising practically a fourth of the men in the general division. The promotions for the whole of Australia during the last thirteen years have averaged six per year. That fact shows that out of a large body of 1,500 men only six will have a chance of promotion under the present system. Of course, as Senator Pearce pointed out, if some men lived to about 200 years of age, they might have a chance of being promoted, but unless they did, very few would get a promotion under this scheme. The remedy for this state of things is, I think, to abolish the grading system and to substitute a system of small annual increments for this branch, starting at, say, £100 and finishing at £156. After a letter-carrier or sorter had drawn a salary of £100 for one year, thenceforward he should receive automatically an annual increment of, say, £3, until he reached the maximum salary of £156. Surely it will not be denied that any officer who is considered worthy to hold the responsible position of letter-carrier is entitled to that salary. Although it may seem to some persons an easy kind of employment, still the position demands honesty and integrity in its holder. We know very well that although letter-carriers are not graded very highly, still they have vast interests in their hands. We ought to do everything we can in reason to insure honesty and integrity in the performance of this work. If we hold that opinion, then I maintain it is not too much for a man to expect that, starting at £100 at twenty-one years of age, he shall, in seventeen years more, reach £156. That is not a very munificent salary for a man who has served the Commonwealth for from twenty to twenty-five years.

Senator GIVENS.—Why not start the man at the minimum salary of £110?

Senator O'KEEFE.—He need not necessarily start at the minimum wage of £110. A public officer is required to be twenty-one years of age, and to have served for three years before he is entitled to get the minimum wage. It may be that a public officer, after serving for three or five years, is still only twenty years of age; and in that case he would not draw the minimum wage. But where a man has served for many years, it is right that he should com-

mence with £110, and proceed by annual increment of £3 until he reached £156. When we look at what was done in the States prior to the compilation of this immense scheme, we find that in no State except New South Wales did the grading system exist. In Western Australia, Queensland, and Victoria letter-carriers could reach a maximum by a system of annual increment. The maximum was £150 in South Australia, £140 in Western Australia and Queensland, and I think £132 or £138 in Victoria, subsequently raised to £150. Some incentive should be offered to a letter-carrier to be efficient and honest and to build up a good record. Of course, it goes without saying that if my plan were adopted, the annual increment would only be granted when the official had obtained a good report from his superior officer. In Tasmania a number of public officers consider that they have not been fairly dealt with, owing to the fact that they have been removed from the clerical to the general division. For some years prior to Federation they worked in the clerical division and drew certain salaries, but under this classification scheme they are placed in the general division, and thereby debarred from the increments which are available to the officers in the clerical division. They will not now have the same chance of promotion as they would otherwise have had. I bring this matter under the notice of the Minister at the table, so that he may be able to ascertain what reason the Commissioner had for taking this step. I know that a number of the officers consider themselves very badly used by the transfer, and the consequent denial of the chance of promotion which their merits had earned for them. I desire to ask the Minister if it is correct that the majority of the telegraphists on the principal circuits in Melbourne have by the classification been raised in salary, and that the contrary is the case in Tasmania, with most of the telegraphists of long service who are engaged on the principal circuits.

Senator KEATING.—It was not on account of their being on particular circuits, but on account of their relative efficiency.

Senator O'KEEFE.—That raises another question, and that is the method of testing their relative efficiency. Is it a fact that not a member of the appeal board for telegraphists in Tasmania had ever touched a key? If that is the case, as I am told it is, I should consider that the

board was not fairly constituted. As a layman, I should think that in order to be a good judge of a telegraphist's capacity a man ought to possess technical knowledge of the work. The opinion of the board would have been considerably more valuable if it had comprised a person with the necessary technical knowledge.

Senator KEATING.—It included the Deputy Postmaster-General, the Inspector for the State, and the representative of the clerical division, whoever he was.

Senator O'KEEFE.—I am credibly informed that not one of those three persons had any knowledge of telegraphy, or had ever touched a key.

Senator CLEMONS.—The officers had an opportunity to vote for a competent man.

Senator O'KEEFE.—It is true that they, in conjunction with other officers, had to vote for a member of the board; but of course they were outvoted. They maintain that the board which tested their capacity knew absolutely nothing about it.

Senator Sir JOSIAH SYMON.—I suppose that the board would decide upon evidence. An ordinary court might know nothing about telegraphy, but might have to decide upon it according to evidence.

Senator O'KEEFE.—An examination was held in June, at the instance of the Commissioner, in Hobart. Those telegraphists who were receiving £120 a year and under could submit themselves for examination for the purpose of showing that they were eligible to receive more than that salary. I state that there is no provision in the Public Service Act which permits such an examination to be held. I want to know under what authority the Commissioner and his inspectors ordered it. At all examinations candidates are more or less nervous, I am informed; but usually nervousness does not obscure a man's knowledge or hinder him from answering questions. But it is different altogether with a man's capacity as a telegraphist. It is asserted that the result of the examination depends entirely upon the candidate's nerves. The highest medical authorities agree that good telegraph operating depends largely upon the nerves, and that a nervous man cannot do himself justice. I may mention a case in point. A telegraph officer was transferred from the Railway Department to the Public Service in Tasmania some time ago. He worked the lines in the chief office satisfactorily, and had a clear record. He failed in the examination,

simply through nervousness. Experienced men agree that an examination is no test of a telegraphist's ability. An inferior operator who was cool-headed might do better than a more skilful operator who was nervous. In the case of clerks and others, who form a large proportion of the service, the Commissioner is satisfied with the yearly efficiency reports from the departmental heads. Telegraphists allege that this form of testing eligibility for promotion is unfair in their case.

Senator KEATING.—The Commissioner must award the increases upon efficiency, and he has power to obtain such information as he may deem necessary to determine the relative efficiency of officers.

Senator O'KEEFE.—It is questionable whether he has not stretched his power in this case. It is worth while to call attention to an instance given in a letter in a paper published by the postal service in Australia, called *The Transmitter*. It says—

*Re tests held in June to enable telegraphists in the fourth sub-division of the fifth class to rise to the higher divisions of that class, I would point out the injustice which will be done to some of the fourth sub-division officers if the manner of testing is not altered. No doubt some of those who failed, did so, like myself, through nervousness. To test a nervous telegraphist as he was tested in June is really unfair. In some cases men failed "purely" through nervousness, and the test was not altogether a test of ability. For instance, at the time of receiving I was so nervous that for nearly three minutes I could not write one word, though I could take it quite easily. To show that it was pure nervousness, I may say that two days previously I took over 1,600 letters in ten minutes without missing a single letter. The same thing occurred during the sending test, though not to such an extent; I was quite shaky. Could not the Commissioner see his way clear to do something at once for those who failed through being nervous, say, by referring it to the postmaster who was in charge by asking relieving postmasters and inspectors what abilities we possess.*

Senator MILLEN.—Does not the honorable senator know that there is no man who has not some excuse for his failure?

Senator O'KEEFE.—That is not a fair way to put it. In the case of other officers, the test is a report from the head of the Department as to an officer's general efficiency and good conduct. In this case the test is largely a matter of the nerves of the candidate at the examination. It is asserted that in a number of cases great injustice has been done through this method being insisted on. Of course the officers put their contruction on the Act. No

doubt they strain it as far as they can in their own interests. But it is right that the attention of the Commissioner should be drawn to their objection.

Senator Sir JOSIAH SYMON.—It is so very easy for a man who has failed to make that excuse.

Senator O'KEEFE.—I am willing to take a liberal discount off these statements, but it is only reasonable that when we are discussing the classification scheme such matters should be mentioned.

Senator Sir JOSIAH SYMON.—It is a pity we have not the opportunity to go further, and pass a motion. What is the use of beating the air?

Senator GUTHRIE.—Why bark when we cannot bite?

Senator O'KEEFE.—Sometimes a bark is very effective, and the remarks of honorable senators may assist the Government in inducing the Commissioner to remedy anomalies.

Senator Sir JOSIAH SYMON.—That could only be done by the Governor-General returning the report to the Commissioner.

Senator O'KEEFE.—I am strongly of opinion that the Senate has the right to discuss the classification scheme, and, in doing so, is acting in accordance with the spirit of the Public Service Act. I refuse to agree to the dictum of Senator Dobson, that members should be absolutely debarred from bringing grievances before this Chamber if they are satisfied that the grievances are real. If Senator Dobson were present, I should call his attention to the words of the Minister of Home Affairs, in whose Department this matter lies, only a few days ago, in another place. That Minister invited the criticism, not only of members of another place, but also of honorable senators; and for what reason? Presumably that the Ministry may be given some idea how it is desired this classification scheme should be dealt with. The Minister of Home Affairs, in the course of his remarks, said that he only mentioned the various matters to show that it was impossible in another place to discuss the question on the facts of the case without hearing both sides. The honorable gentleman went on to say that the Government had had submitted to them the scheme from the point of view of one side, and that it was intended to call on the Commissioner for a report on the other side; and that, when the Government were in possession of the

facts, they would endeavour to do justice, not only to the taxpayers, but to the Public Service of the Commonwealth. It seems to me that those concluding words constitute the best of all reasons for bringing this classification scheme before the Senate. I re-echo the regrets uttered by a large number of honorable senators that we are not able to back up our opinions in a somewhat more emphatic manner than is possible with our present method of dealing with the question.

Senator CLEMONS (Tasmania).—I believe we are debating a motion that the Senate do now adjourn, and I shall confine my remarks to it. Inasmuch as I recognise that the discussion on the classification scheme is wholly futile, I intend to say nothing on the question. I am not now speaking in any depreciatory way of the very excellent speeches we have listened to, but only indicating what I believe to be the resultless character of the debate. I desire to know to what date it is proposed to adjourn. If the Minister in charge can assure me that there is business for next week I shall be very glad to attend, and, if necessary, sit four days. We are being called together, and are likely to be called together, week after week, in order to do work which could be accomplished in a day and a half or two days; and this causes great inconvenience to all honorable senators who live outside Melbourne. If there is not work for next week, I urge the Minister to agree to adjourn to the week following, rather than that we should present the spectacle of a number of honorable senators attempting not to do work, but to fill up time by talking. I hope the Minister will pay some attention to the desire, not only of myself, but of other honorable senators, to get on with the work which the Senate has been called together to perform.

Senator STANFORTH SMITH (Western Australia).—I hope that the leader of the House will not consent to an adjournment for a week.

Senator CLEMONS.—I do not want an adjournment if there is work to do.

Senator STANFORTH SMITH. — I am pleased that in this matter Senator Clemons is of the same opinion as myself. Up to the present the record of the Senate for work is exceedingly poor. There have been comparatively few Bills initiated in this Chamber, though there is absolutely no reason why there should not be as many

introduced here as in another place, excepting, of course, Money Bills. We have hitherto met for a day or a day and a half and then adjourned for a week, and that has gone on week after week. In my opinion, there is ample work for next week. There is that most important measure, the Copyright Bill, and, moreover, a number of honorable senators desire to express their opinion on the classification scheme. I do not agree with Senator Clemons that the discussion on that scheme is futile. When the Public Service Bill was before us I contended that, while we did away with political influence, we did not interfere in the slightest degree with parliamentary control. We have a perfect right to criticise this scheme, and carry any resolution we like, and the Commissioner will be bound to take notice of that resolution on general principles.

Senator CLEMONS.—We cannot carry a resolution under this motion.

Senator STANFORTH SMITH.—No, we cannot.

Senator CLEMONS.—Then, as I say, this debate is resultless.

Senator STANFORTH SMITH. — I hope the Senate will meet next week and do some work. Up to the present we have done very little.

Senator Lt.-Col. NEILD.—And next week we shall do less.

Senator STANFORTH SMITH.—We have ample business, including a continuation of this debate

Senator Lt.-Col. NEILD.—How can we next week continue a discussion on a motion that the Senate do now adjourn?

Senator STANFORTH SMITH.—The discussion may be re-introduced in a similar way, or in some other form. The classification scheme deals with the control of from 10,000 to 13,000 individuals, and the more discussion we have on a subject so important, the better.

Senator GIVENS (Queensland).—It has been suggested by Senator Clemons that the Senate should adjourn over next week.

Senator CLEMONS.—If we have no work to do.

Senator GIVENS.—I totally disagree with the suggestion. Honorable senators will remember that last session every time an unusual adjournment was proposed, I protested. I went so far as to call for a division on such occasions, and I intend to do the same this session as a protest against the way in which the Government supply the Senate with business.

Senator CLEMONS.—The honorable senator had no reason to protest against the last Government on that account.

Senator GIVENS.—If the honorable and learned senator will refer to *Hansard* he will find that I had, on many occasions.

Senator PLAYFORD.—They adjourned the Senate several times.

Senator MILLEN.—Might I ask Senator Givens if he advocates bringing honorable senators here when there is no work for them to do?

Senator GIVENS.—I do not advocate anything of the kind, but I say that so long as there is work on the business-paper for the Senate to do we should not adjourn until it is completed. If we agree to these lengthy adjournments the result will be that business will subsequently be hurried through in a slipshod fashion. We have very important business at present on the paper to deal with. There is, for instance, the Copyright Bill.

Senator CLEMONS.—Does the honorable senator think that will last over next week?

Senator GIVENS.—It is a very important Bill, and it should occupy our attention for a sitting or two if it is not to be passed in a slipshod fashion. I think the Government are to blame that there is not more business on the paper than there is. There is a plethora of work in another place where honorable members have more work before them than they can grapple with. Why was not the Commerce Bill introduced in the Senate?

Senator PEARCE.—Or the Secret Commissions Bill?

Senator GIVENS. — Those are contentious measures, and a full discussion of them in the Senate might possibly have minimized discussion upon them in another place.

Senator Lt.-Col. NEILD.—We could fill up time with a vote of censure, or something light and airy of that sort.

Senator GIVENS.—Senator Neild is no doubt an adept at that sort of thing. If he had his way the honorable senator would prefer to run the whole Senate himself. I am certain it will be a considerable time before he will be allowed to do so, but with his bumptious style, the honorable senator would overshadow the Senate if he were permitted. I shall take the strongest measures to prevent the adjournment of the Senate over next week. A motion to adjourn the Senate to an unusual date can-

not be moved until the motion at present before the Senate is withdrawn.

Senator MILLEN.—Does not the honorable senator recognise that if he and his friends say that the Senate shall not adjourn, the Government will not propose to adjourn?

Senator GIVENS.—I have not recognised anything of the kind. I am putting forward merely my individual views.

Senator CLEMONS.—Will not the honorable senator even allow the Government to say whether they have business for the Senate?

Senator GIVENS.—I do not need them to tell me that when I look at the business-paper. Why should I ask any one to tell me something which I can see as plainly as the nose on the honorable and learned senator's face. I protest against any unusual adjournment, and I shall use the forms of the Senate to prevent it. If any unusual adjournment is moved I shall call for a division on it.

Senator PLAYFORD (South Australia—Minister of Defence).—In speaking to honorable senators earlier in the day, I found that a number desired that we should not meet next week, whilst a number also desired that we should. Those who desired that we should not meet pointed to the fact that there is very little business on the notice-paper.

Senator GIVENS.—That is not our fault.

Senator PLAYFORD.—I am merely stating the fact. I admitted that there is not very much business on the notice-paper, and that we might possibly adjourn for a week. It is impossible for me to give the assurance that Senator Clemons desires, and say that we have enough business on the paper to keep us fully employed, because that entirely depends on the inclination which honorable senators display to speak. We have a little business on the paper, and though I was doubtful whether there was sufficient to occupy us next week, I said I would be willing to take the sense of the Senate on the matter.

Senator CLEMONS.—The honorable senator means to say that if we talk enough there will be sufficient business?

Senator PLAYFORD.—I cannot say how many honorable senators will desire to speak, or how long they will speak, and I am therefore unable to say whether the business on the notice-paper is sufficient to occupy the whole of the time next week. I do not infer that honorable senators will speak merely for the sake of speaking, or will

not speak intelligently and to the point, but it is impossible for me or for any other living being to say whether the business now on the notice-paper is sufficient to keep us employed all next week. There is another Supply Bill in connexion with public works to come up, and there might be some other Bills received by the Senate. I said I was willing to adjourn over next week.

Senator CLEMONS.—Was it not because the honorable senator felt certain that we should lose nothing by adjourning?

Senator PLAYFORD.—That is quite right.

Senator CLEMONS.—Then I think we should adjourn.

Senator PLAYFORD.—I am willing to adjourn, but as I believe a majority of honorable senators object to an adjournment over next week it would be futile to propose to do so.

Senator GIVENS.—The honorable senator could not move the motion.

Senator PLAYFORD.—I think I should find a way to manage it. If the motion now before the Senate were negatived it could be done, but, in the circumstances, as there is a majority of honorable senators opposed to an adjournment over next week, I shall not propose such an adjournment.

Senator HIGGS (Queensland).—I shall not occupy the Senate for very long at this hour. If there is an insufficiency of business on the notice-paper, and the Minister has admitted that there is, who is responsible for that? I think the Government are responsible.

Senator CLEMONS.—And who are going to be punished?

Senator HIGGS.—The Government have a right, if they find they are interfered with by any persons, to adopt the means at their disposal to overcome those obstacles. They can take up one of the planks of the leader of a very prominent party, which was to amend the Standing Orders, so as to prevent too much talk. If the Standing Orders were amended in that direction we should have more work to do in the Senate than we have. The Senate has not been treated by the Government fairly, commencing from the time when they took the Vice-President of the Executive Council from this Chamber. They would appear to think that the Senate is a kind of poor relation, and I object to that attitude on their part. I shall not continue the debate further, except to say that I very much regret that the matter

of the classification of the Public Service has been dealt with under cover of a motion which will not permit the Senate to place its opinion on record or to state any amendments it desires. I fear that all the discussion which has taken place to-day is likely to be repeated at an early date, under cover of some distinctive motion.

Senator MATHESON (Western Australia).—I wish to offer a protest against Senator Playford's statement that there is not enough business to be done next week.

Senator PLAYFORD.—I said I could not say whether there was or not.

Senator MATHESON.—He has called attention to the public works Supply Bill, which must come up shortly. On the notice-paper I see an order of the day for the second reading of the Copyright Bill, and also an order of the day relating to tobacco monopoly, which ought to be dealt with with the greatest possible despatch. There is every probability of the classification scheme coming up for consideration on a substantive motion. Under these circumstances it is absurd to say that there is not ample business to occupy the Senate next week.

Question.—That the Senate do now adjourn—put. The Senate divided.

Ayes	...	...	...	9
Noes	...	...	...	16

Majority	...	...	7
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#### AYES.

Baker, Sir R. C.  
Clemons, J. S.  
Dawson, A.  
Guthrie, R. S.  
McGregor, G.  
Millen, E. D.

Playford, T.  
Story, W. H.  
*Teller :*  
Keating, J. H.

#### NOES.

Croft, J. W.  
de Largie, H.  
Drake, J. G.  
Givens, T.  
Henderson, G.  
Higgs, W. G.  
Matheson, A. P.  
Mulcahy, E.  
Neild, J. C.

O'Keefe, D. J.  
Smith, M. S. C.  
Stewart, J. C.  
Styles, J.  
Turley, H.  
Walker, J. T.

*Teller :*  
Pearce, G. F.

Question so resolved in the negative.

### RE-ARRANGEMENT OF BUSINESS.

Motion (by Senator PEARCE) agreed to—

That Order of the Day No. 2 "Tobacco Monopoly" be an order of the day for Thursday next.

Senator CLEMONS.—Under what standing order, sir, is this made an order of the day for Thursday next?

The PRESIDENT. — The honorable senator in charge of a notice of motion or order of the day has always the right to ask the Senate to re-arrange the business.

Senator CLEMONS.—At this stage?

The PRESIDENT. — Yes, when it is called on.

Senator CLEMONS.—Have we not proceeded with any business for the day yet?

Senator KEATING. — None but formal business.

Senator MILLEN.—May I point out to you, sir, that when the adjournment of the Senate was moved by Senator Keating we were proceeding to business of which notice had been given, and you said you were straining the standing order to enable this to be done, because the Government had given notice on Wednesday that they would take the discussion on the Public Service classification to-day.

The PRESIDENT. — I do not understand what that has to do with this matter. The order of the day in charge of Senator Pearce was called on; he moved in the ordinary course of practice that it be put down for Thursday, and that was carried.

Senator MILLEN.—The point is that we have already proceeded to the business of the day.

### PAPER.

The CLERK laid upon the table the following paper:—

Return to an Order of the Senate of 17th August, 1905.—Australian Pearling Fleets: Number of Indentured Coloured Labourers returned to their homes in 1904.

Ordered to be printed.

Senate adjourned at 4.16 p.m.

## House of Representatives.

Friday, 25 August, 1905.

Mr. SPEAKER took the chair at 10.30 a.m., and read prayers.

### PETITION.

Mr. JOHNSON presented a petition from over 60,000 residents of New South Wales, praying the House to enact stringent legislation to prohibit the importation and sale of opium for smoking purposes into the Commonwealth.

Petition received and read.

Mr. PAGE.—What becomes of all these petitions? It took two men to carry into

the Chamber the pile of documents which constitutes the petition which has just been received, but we hear no more of these petitions after presentation.

Mr. SPEAKER.—All papers laid on the table of the House are preserved among its records.

## IMMIGRATION RESTRICTION ACT.

Mr. JOSEPH COOK.—I wish to read from this morning's *Argus* what appears to be a report copied from the *Sydney Stock and Station Journal*. This report, upon which I shall base a question to the Prime Minister, is as follows:—

Last week our contributor "Merrigang" was at a horse sale at Inglis's Bazaar, and fell into conversation with the groom who had brought out some horses for Mr. Livingstone-Learmonth. "Merrigang" asked the groom if he meant to stay out here after he had delivered the horses, and received a bit of a shock when informed that "they won't let me stay here." We are all quite willing to admit that we need population, and our Agent-General is trying to induce people to come here, and says he is succeeding. But this groom, a fine specimen of a Suffolk Englishman, said we wouldn't allow him to stay here, and he'll go home and spread that news among the Suffolk farmers; and ill news travels fast.

We sent for the man, and asked him why he would not be allowed to stay here, and he showed the following documents:—

(Copy.)

Dalgety and Company Limited,  
Head Office,  
96 Bishopgate-street Within,  
London, E.C.,  
9th June, 1905.

Mr. W. Gooderham, junior,  
S.S. "Miltiades."

Dear Sir,—As you are proceeding to Australia under an agreement as to wages with Mr. Livingstone-Learmonth, you would not be allowed to land there under the Commonwealth Immigration Restriction Act 1901. We have, however, obtained a special certificate of exemption from the Agent-General for New South Wales, which we enclose herewith. It is available for six months, from the 9th of June, which will enable you to deliver the horses to the station. It is to be understood that this certificate is only issued subject to the undertaking that you are returning to this country on the completion of your mission.

Yours faithfully,

For DALGETY & COMPANY LIMITED,  
(Sgd.) F. B. SMYTH.

(Copy.)

Form No. 2.

COMMONWEALTH OF AUSTRALIA.  
IMMIGRATION RESTRICTION ACT, 1901.

No. 1—State of New South Wales.

This is to certify that William Gooderham, junior, of Woodbridge, Suffolk, England, aged 36

years, a \*groom, is exempted for a period of not exceeding six months from the date hereof from the provisions of the Immigration Restriction Act, 1901.

Dated at 9 Victoria-street, London, this 9th day of June, 1905.

\*Insert trade, calling, or other description.

T. A. COGHLAN,

Acting Agent-General for New South Wales.

This certificate must be retained by the person to whom it is issued.

Regulation No. 9, gazetted 3rd January, 1902, states:—"9. Any person who, with intent to contravene or evade the Act, or these regulations, or without just cause or excuse transfers or delivers up to any other person any certificate or credentials referred to in the Act or in these regulations, shall be guilty of an offence against these regulations."

NOTE.—A person guilty of any offence against these regulations is, under section 18 of the Act, liable upon summary conviction to a penalty not exceeding £50, and in default of payment to imprisonment, with or without hard labour, for any period not exceeding three months.

Then follow some further comments. I wish to know if the attention of the Prime Minister has been directed to this report. If so, has he taken steps to ascertain whether the report is a correct one? By what arrangement or authority was this ticket of leave obtained from the Agent-General for New South Wales?

Mr. DEAKIN.—The report is likely to be correct, because one of the first communications which I received upon entering upon the administration of the Department of External Affairs last month was a letter from the acting Agent-General for New South Wales, asking for authority to issue that permit. He was at once informed by my direction that no certificate of the kind was necessary. Evidently the man referred to in the newspaper report had left England before that time. I am making inquiries to discover under what circumstances the exemption was issued. The initiative in the matter was apparently taken by the steam-ship owners, who seem to think that restrictions which are applied to aliens might be applied also to people of the mother country, although in this case quite inapplicable.

Mr. CONROY.—Will the Prime Minister take steps to make as public as possible his announcement that tickets of exemption are absolutely unnecessary under these circumstances?

Mr. DEAKIN.—I directed inquiries to be made into this matter this morning before coming here.

## AFFRONT TO A MINISTER.

Mr. WILKS.—I wish to read from the *Argus* a paragraph in which it is stated that a grave insult has been offered to the Minister of Trade and Customs during his tour in New South Wales. Other newspapers refer to the matter more strongly. The paragraph is as follows:—

## LEGISLATORS NOT WANTED.

WAGGA, Thursday.—At a smoke social held to-night in connexion with the show the toast of "Parliament" was submitted, but the president announced that no response to the toast would be asked for. Sir William Lyne left the room, saying that this was the greatest insult he had ever received. It was pointed out that last year Sir William Lyne and Mr. Groom, M.H.R.'s, took about two hours to respond to the toast. The committee had therefore decided that no speeches in reply should be made on the present occasion.

Will the Prime Minister have this wandering Minister immediately recalled, so that the Government and the Commonwealth may not be further humiliated at public functions?

Mr. CONROY.—I wish to ask the Prime Minister whether he will allow the Minister of Trade and Customs to further increase the duty levied upon imported harvesters, in order to punish the farmers of Wagga for refusing to listen to him?

Mr. DEAKIN.—I do not think that honorable members wish me to take serious notice of their questions.

## DEFENCE ESTIMATES.

Mr. McCAY.—I wish to know from the Vice-President of the Executive Council when we may expect to receive the memorandum which is usually circulated with the Defence Estimates?

Mr. EWING.—I shall cause inquiry to be made, and inform the honorable and learned member later on.

Mr. McCAY.—This memorandum should have been circulated already. Do the Government propose to extend to honorable members the courtesy and justice of circulating it on this occasion? The House has a right to the information for which I ask.

Mr. EWING.—I feel the importance of the question, and shall make inquiries into the matter.

Mr. McCAY.—The memorandum should be circulated before the Budget debate is resumed.

Mr. EWING.—The honorable and learned member is entitled to the information for which he asks.

*At a later stage,*

Mr. EWING.—I am now in a position to inform the honorable and learned member for Corinella that the papers to which he referred will be available on Tuesday.

## NEW GUINEA REFERENDUM.

Mr. BAMFORD.—Will the Prime Minister lay upon the table a return showing the number of papers issued in connexion with the referendum taken in New Guinea two years ago, the number of papers returned, and the result of the voting?

Mr. DEAKIN.—I assume that the information is filed, and will have it looked up at once.

## ROYAL COMMISSIONS AND SELECT COMMITTEES.

Mr. WILKS.—Will the Prime Minister cause to be prepared and laid upon the table a tabulated statement showing the number of Royal Commissions and Select Committees appointed since the inauguration of Federation, and their cost?

Mr. DEAKIN.—Such a return should be moved for. If the motion is made, it will be unopposed.

## TASMANIAN MAIL CONTRACTS.

Mr. McWILLIAMS.—Will the Postmaster-General lay on the table any agreement which may have been entered into between his Department and the Union and Huddart Parker Steam-ship Companies for an alteration of the mail service between Tasmania and Victoria?

Mr. AUSTIN CHAPMAN.—There is no objection to laying a copy of the agreement on the table of the Library.

## PAPER.

Mr. GROOM laid upon the table the following paper:—

Pursuant to the Property for Public Purposes Acquisition Act.—Notification of the acquisition of a site for a post-office at Murrin Murrin, Western Australia.

## ORIENT MAIL CONTRACT.

Mr. JOSEPH COOK.—I desire to ask the Postmaster-General whether the papers containing the agreement and correspondence between the late Postmaster-General and the Orient Company have been laid upon the table?

Mr. AUSTIN CHAPMAN.—The papers were laid on the table some evenings ago, and are being printed.



## INSPECTION OF PAPERS.

Mr. KNOX.—I desire to ask the Prime Minister a question with regard to the papers which are laid upon the table of the House, or upon the Library table, for the information of members. I wish to know whether some definite place could not be chosen in this House, and also in the Library, where papers would always be available to honorable members who desire to avail themselves of the information contained in them?

Mr. JOSEPH COOK.—There should also be some definite method of circulating them.

Mr. DEAKIN.—All the papers laid upon the table of this House are, except in cases where they are ordered to be printed, handed over to the care of the Clerk, who can at once produce them to honorable members who desire to see them. The Printing Committee sits regularly, and lays before the House periodically a list of the papers which have been printed. These papers are circulated amongst honorable members. The papers laid upon the Library table are in charge of the Librarian, and are obtainable from him by honorable members who desire to see them.

## HOUR OF ADJOURNMENT.

Mr. DEAKIN.—As there appears to have been some misapprehension in the minds of honorable members as to the usual hour for adjournment, I desire to intimate that from this time forth the usual hour will be half-past eleven p.m. It is proposed that we shall sit until that hour as a rule. We can then devote eight hours per day to the work before us, and dispose as early as possible of the vast mass of business on the paper.

Mr. JOSEPH COOK.—That is a later hour than usual. Eleven o'clock is the proper time for adjournment.

Mr. BAMFORD.—Honorable members will be unable to catch their last trains.

Mr. DEAKIN.—I am afraid that in view of the state of the business-paper, the last trains will often be the only ones we shall be able to catch for some time to come. I would say further that the custom that has been followed of rising early on Friday afternoon cannot be understood to apply after this week, if the progress of business requires that we shall sit on.

## CENTRAL TELEPHONE EXCHANGES.

Mr. HUTCHISON asked the Postmaster-General, *upon notice*—

What is the minimum number of subscribers each officer has to attend to from 8 a.m. to 6 p.m. in each of the Central Exchanges of each State, trunk lines excluded?

Mr. AUSTIN CHAPMAN.—In reply to the honorable member—

Sydney.—97.

Melbourne.—37 operators, 100 each; 6 operators, 75 each; 3 operators, 50 each.

Adelaide.—100.

Brisbane.—16 operators, 100 each; 1 operator, 50.

Perth.—8 operators, 100 each; 2 operators, 60 each; and 4 operators, 50 each.

Hobart.—100.

MANUFACTURES  
ENCOURAGEMENT BILL (No. 2).

## SECOND READING.

Debate resumed from 24th August (*vide* page 1491), on motion by Sir WILLIAM LYNE—

That the Bill be now read a second time.

Mr. McCAY (Corinella).—I do not desire to occupy the time of the House at very great length, but as I had the honour of being one of the members of the Commission that inquired into the question of establishing the manufacture of iron in the Commonwealth, I feel it to be my duty to say a few words. As may be easily surmised, I do not, on this question, join forces with honorable members sitting in the direct opposition, but part company with them for a time, at any rate, in connexion with this measure.

Mr. PAGE.—So soon?

Mr. THOMAS.—Is this a bridge?

Mr. McCAY.—No, it is not a bridge. I should like the honorable member for Maranoa to remember that the late Government itself accepted the statement that the fiscal issue was alive again as the determination that it could not continue in office as one disregarding the fiscal issue. The protectionist members of that Government were quite willing to adopt the course that was followed for the purpose of preserving their right to vote in accordance with their convictions on fiscal matters. I think it must be admitted that if the iron industry can be established in Australia—I have no particular desire that attention should be paid to my remarks, but I do wish to be

able to speak without raising my voice to shouting pitch.

Mr. SPEAKER.—Order! There is sometimes excuse for a little excitement in the heat of debate, but when honorable members begin at this early stage of a sitting to carry on so much discussion and conversation among themselves that it is almost impossible for the honorable member addressing the House to proceed, they are not acting in accordance with the duty which they owe to any honorable member who may be in possession of the Chair. I trust, therefore, that they will listen with more attention to the honorable member for Corinella.

Mr. McCAY.—So long as I have an opportunity of letting *Hansard* hear what I am saying, I have no desire to force honorable members to listen to me. I do not, however, wish their remarks to be interspersed throughout my speech with the risk that they may be mistaken for my own. We are all agreed that if the iron industry can be established in Australia it will be a valuable thing for the Commonwealth. Any differences of opinion that may arise do not relate to the object to be achieved, but to the method by which it is to be attained. When we look at other countries, and realize that only in those in which the iron industry has been satisfactorily established and continued has the development of manufactures been considerable, we must all agree that, in this continent of ours, where we have such ample resources in the way of ore, coal, and flux, we should do our utmost to secure the establishment and development of that great industry. Consequently, I have no hesitation in saying that if we can bring about that result at a cost of £300,000, the money will have been very well spent. There are various ways in which it could be done. One method was suggested some years ago, namely, that some State—or the Commonwealth itself, if it had the power—should undertake the responsibility. That was a method with which I did not agree then, and I do not agree with it now. The industry might also possibly be established by the imposition of a protective duty, to which, however, at the present time there are obvious objections, even from the protectionist point of view—and that is the only point of view from which I regard this matter. Consequently we have left open to us only a third method, namely, that of offering a bonus, in the safest way in which it can be

offered, viz., payment by results. The question as to the exact rate of bonus to be paid is one that may be discussed in Committee. If I recollect aright, the scale of payment now proposed is different from that suggested in the first Bill. I am endeavouring to work out figures which will enable me to arrive at a conclusion as to what the rate of bonus should be; but I have not yet had time to complete my calculations. I do not wish to deal with that aspect of the matter at present. Of course there is always the risk in this, as in every other matter, that the experiment may not be a success. We cannot expect to have a guarantee of success in connexion with an enterprise of this kind, but in view of the immense advantage that would be conferred upon the Commonwealth by the successful establishment of the industry, we are not only justified in making the experiment, but we are bound by our duty to Australia to do so. Therefore I have no hesitation in supporting the principle contained in the measure. Some honorable members have objected to the Bill on the ground that, according to the evidence given before the Bonus Commission, it would appear that no bonus is necessary, that the industry could be established without the assistance of a bonus, and that if the figures given by various witnesses are correct, the manufacturers ought to be able to make a large profit without any assistance from the State. That is a theory based upon a series of inferences drawn from alleged statements, viewed from what I am afraid is not a totally unbiased stand-point. The point, after all, is that the industry has not been established without a bonus, and that so far as one can judge, there is little likelihood of its being entered upon here without State aid.

Mr. McWILLIAMS.—The promoters of the scheme say that they will not establish the industry without a duty.

Mr. McCAY.—They do not go as far as that.

Mr. McWILLIAMS.—The honorable and learned member should look at question 2320.

Mr. McCAY.—A single answer to a single question is not conclusive upon a question of this kind. It is a common practice everywhere to select a series of questions and answers to establish one's own contention, and to disregard entirely all the rest of the evidence. Fortunately, however, the judicial bodies which usually have the determination of matters, insist

that the whole of the questions and answers shall be regarded. I heard a great deal of the evidence, and read the rest of it while my memory was fresh, and I say, unhesitatingly, that the weight of the evidence goes to show that, rightly or wrongly, there is no reasonable likelihood of the industry being established without assistance of some kind.

Mr. CONROY.—Would the honorable member call it an industry if it did not pay?

Mr. McCAY.—Unfortunately, industries do not always pay, and those who enter upon them are not always sufficiently remunerated. The industry of the honorable and learned member, for instance, is, in his opinion, not sufficiently remunerated. But it is industry all the same. I have commenced three times to say that it appears to me that, rightly or wrongly, there is no reasonable likelihood of the industry being established unless some assistance be given. The reason is obvious. It requires the outlay of a large amount of capital, and those concerned in the matter expect a reasonable assurance that they will get some return for their capital. Let us remember the facts of the case with regard to the production and consumption of iron. In England and in the United States the iron industry has been established and developed to a very large degree. We know that so great are the resources of the manufacturers in the United States that it is quite possible for the output to be increased at any particular time to such an extent as to enable the manufacturers to more than swamp such a market as ours. Consequently, if an attempt were made to establish the industry here without assistance from the State, the result would inevitably be—and it would be a perfectly legitimate market operation—that whatever the price the Australian manufacturer asked for his material, allowing for the cost of production, and leaving a margin for profit, he would inevitably be undersold by his giant competitors. That is a fact which must always influence those who regard the question from the protectionist point of view. There is another important fact in connexion with the industry, namely, that various works turn out special brands of iron, and find it to their interest to keep up a certain quality. There will consequently not be what is called “the usual prejudice” against Australian goods, but there will be very great difficulty, at the initiation of this enterprise,

in getting the consumers to purchase the Australian article, because they know that if they buy the imported article of a given brand they will be getting a given quality. There is more difficulty in securing a market for Australian iron than there is in the case of any other local manufacture. This is due not so much to prejudice as to a just apprehension that in purchasing the local article the consumers may not be getting exactly the quality that they want. Therefore, it seems to me that in the case of a great industry of this character—great in its potentialities, and in its benefits to the community—special difficulties exist both in regard to the possibility of the products of any such enterprise independently started being undersold and in getting the consumers to use those products, and for these reasons we are justified in proceeding in the way that is proposed. I quite agree with the statement, which I signed in the majority report, which sets out—

Your Commissioners, however, do not recommend the immediate imposition of a Customs duty, as, pending a local supply sufficient for Australian requirements, the result might be to temporarily raise the price to the consumer, which should be avoided.

Of course, there is always that difficulty in connexion with protection. One man's raw material may be another man's finished product. It is that fact which requires a very careful adjustment of the relative rates of duty. In this case, undoubtedly, if the industry were established in such a way as to seriously interfere with the users of its products, it might possibly do more temporary harm than immediate good. But by following the bounty method, and ascertaining whether the industry can be thoroughly established, and a satisfactory article produced, we shall afford those who wish to engage in the enterprise an opportunity of so doing, without in any way interfering with the well-being of the consumers. It is alleged by those who are opposed to the Bill that the evidence taken before the Royal Commission shows that the industry can be established without any state aid whatever. I have ventured to give one or two general reasons which are, to my mind, a sufficient answer to that contention. Then it is suggested that those who may embark upon this enterprise may possibly make a large profit out of it. I do not suppose—to use an American phrase—that they will enter the business “for the benefit of their health.” They expect to make

a profit, and we should not begrudge them that profit so long as it is a reasonable one.

Mr. CONROY.—We do not begrudge it to them, so long as they do not take it out of the public purse.

Mr. McCAY.—That is a phase of the question with which I have already dealt. I say, deliberately, that if we can establish the iron industry for an expenditure of £300,000, the project is cheap at the price.

Mr. KELLY.—Would the honorable and learned member like to see the industry nationalized afterwards?

Mr. McCAY.—No.

Mr. KELLY.—That is what will happen under this Bill.

Mr. McCAY.—I hold that if we succeed in establishing the industry it will be cheap at the price. Any persons who wish to embark upon this undertaking must, in view of the large sum of money which requires to be invested, receive some assurance that they are not going to lose it all. That is our justification for giving the encouragement that is proposed. I assume that those who do engage in the industry see their way to make a profit. I am not a friend of those who wish to make profits by market operations—by the flotation of companies. But we cannot help recognising the fact that a large expenditure needs to be incurred in this enterprise before any return can possibly be received. If, for each £1 that we pay away, a ton of marketable material is produced, that is, after all, the matter with which we are concerned. The way in which the profit is divided among those who find the capital is a matter of small concern to us.

Mr. McWILLIAMS.—The promoters will only take 500,000 shares out of 1,000,000.

Mr. McCAY.—That is the suggestion of the honorable member.

Mr. McWILLIAMS.—It is a fact.

Mr. McCAY.—The honorable member ought to know that in all probability they will not get 500,000 shares for themselves. The original vendors do not usually secure the whole of the purchase money. If it can be shown that too much is being offered to them, that is another matter. All I say is that something should be offered to them. In the Bill as it was introduced in the first Commonwealth Parliament, I think that the rate prescribed was lower than is the case in this measure. What the rate shall be, however, is a mat-

ter for discussion when we reach the schedule. I merely wish to affirm my support of the principle that some assistance should be given of a sufficiently substantial character to induce people to engage in this enterprise in the hope of securing a profit for themselves. We should encourage them to embark upon it in such a way as to make it reasonably sure that if their efforts are successful they will mean the establishment of a substantial iron industry in Australia. I shall be no party to allowing the promoters an opportunity to operate in such a way that they will be able to draw the bonus, thus recouping themselves for their outlay, and then to discontinue operations, with a substantial profit at the close of the bonus period. We must guard against that contingency. We must make sure that when they have drawn the whole of the bonus they cannot close down their works and walk away with a profit in their pockets.

Mr. DEAKIN.—That is the one risk which we incur.

Mr. McCAY.—Exactly. That is a factor which should impel the Government to carefully consider the exact rate which should be given. I do not suppose that the Ministry are absolutely bound to the rate prescribed in this Bill. If it can be shown that it is too high or too low, I presume that it can be altered. It will be observed that the majority report of the Royal Commission makes no reference whatever to the rate. It simply affirms that a bonus should be granted. We had not before us sufficient material to justify us in declaring what the rate should be. I wish to remind the House that had it not been for a great majority of members of the Labour Party, this Bill would have been law long ago. The reason we have not a Manufactures Encouragement Act in operation, instead of a Manufactures Encouragement Bill under consideration—the reason we do not know whether the undertaking can be successfully initiated, and whether hundreds or thousands of men can, or cannot, be employed in the industry, is that a majority of the members of the Labour Party were fonder of their socialist doctrines than they were of their protectionist principles. It is due to that fact alone that this Continent does not at present possess an iron industry. I admit that there were one or two honorable members of that party who realized that the prosperity of Australia was more important than the abstract

theories of ownership of which they are so fond. But the great bulk of members of the Labour Party, including its leader, the honorable member for Bland, are alone responsible for the fact that there is no Manufactures Encouragement Act in operation to-day. It speaks volumes for the charity of my honorable friends above the gangway upon the Ministerial side of the Chamber that they can so readily forget all the past in connexion with this matter. I say that the greatest enemy which the iron industry in Australia has had up to the present time has been the Federal Labour Party. It may be a fact of which they are proud, but it is nevertheless the truth. When we endeavoured to pass this measure in 1902, it was the bulk of the members of the Labour Party, headed by the honorable member for Bland, who insisted upon declaring that the industry should be nationalized, or that there should be no industry at all.

Mr. RONALD.—They were assisted by some of the free-traders.

Mr. McCAY.—That is so. But I would point out that the free-traders were justified in opposing the Bill in any shape or form. It is the action of those who call themselves protectionists that I am challenging in this connexion. I think that the honorable member for Southern Melbourne was one of those who was true to his protectionist principles, and who endeavoured to get the Bill passed. But the honorable member for Bland, a protectionist member of the Labour Party, and other members of that party, acted as they have always done when protection has come into conflict with their Labour platform. They flung their protectionist doctrines upon one side, and stuck to their pet theories, which they now tell us are theories applicable to the distant future. Consequently, it is they alone whom Australia has to thank for the fact that we are still discussing this Bill, instead of watching with anxious interest the development of the iron industry in Australia.

Mr. McWILLIAMS.—Then they have justified their existence by that action.

Mr. McCAY.—If the honorable member thinks that, he had better join them.

Mr. CARPENTER.—Does not the honorable and learned member forget the great American steel trust?

Mr. McCAY.—I am more concerned with seeing the Australian iron industry established, and Australian workmen re-

ceiving Australian wages for doing Australian work—I am more interested in seeing Australian manufacturers using Australian iron, than I am in the operations of the American steel trust. Whether it be State-owned or privately-owned, I am satisfied that unless the Commonwealth comes to its assistance, there will be no iron industry in Australia. The American steel trust is strong enough to stop that. I thank the honorable member for Fremantle for mentioning the name of that particular corporation.

Mr. DEAKIN.—Most trusts are “steal” trusts.

Mr. McCAY.—Possibly. I do not know whether or not the Prime Minister is referring in that connexion to public ownership. I have only one other observation to make. A good deal of stress has been laid upon the answer which was given by Mr. Sandford to a question put to him before the Commission in regard to the cost of the production of iron at Lithgow, which he set down at 35s. per ton. I thought then, as I do now, that his estimate—despite the fact that he is a gentleman who should know what he is talking about—was extremely low. At any rate, it was unsupported by the testimony of any other witnesses. All the rest of the evidence given before the Commission goes to show that the cost of production is very much higher than he stated it to be. Even at Pittsburg it is 32s. 5½d. per ton; at Middlesborough it is 52s. 2d.; and Mr. Jaquet estimated that the cost at Lithgow was 47s. 7d. per ton.

Mr. McWILLIAMS.—The f.o.b. price at Glasgow is 50s. per ton.

Mr. McCAY.—Mr. Jaquet's estimate will be seen by reference to question 350 of the official report of the evidence. The price at Glasgow f.o.b. is 50s. per ton, for some iron. But there are a good many qualities.

Mr. McWILLIAMS.—That is the price of the iron which is imported into Australia.

Mr. McCAY.—It is the price of some of it. The honorable member must know that the prices vary. Is he not aware what a delightful vehicle for stock exchange gambling are the Middlesborough iron warrants? One of the happy hunting grounds of speculators is to be found in the varying prices of iron. I repeat that the qualities of the iron vary enormously. To say that any particular article is sold at 50s. per ton f.o.b. at Glasgow, and to assume that that

is the average price of the average quality produced, is, I venture to think, entirely a mistake.

Mr. McWILLIAMS.—That is the evidence of the man who proposes to float this syndicate.

Mr. McCAY.—The honorable member will have an opportunity of stating his views later on. A good deal of stress has been laid upon Mr. Sandford's statement. I have a distinct recollection of the occasion upon which he gave that answer. The Commission were sitting in the room which is now occupied by the Labour Party, and I remember that Mr. Sandford was asked what was his cost of production. At first he seemed disinclined to answer. He became very excited, and the honorable member for Parramatta suggested that he should retire for a few minutes, and consider the matter. Mr. Sandford appeared to be a gentleman of an excitable disposition, and undoubtedly no member of the Commission treated him with greater courtesy and consideration than did the honorable member for Parramatta, although he is strongly opposed to him on this particular question. Mr. Sandford went out of the room, but returning far sooner than we had anticipated, he rushed to his chair, and commenced to speak. I do not believe that from that time until the close of his examination he mastered and marshalled his facts as an ordinarily careful witness would have done. It was because I observed that he was highly excited that I asked him again and again whether the quotation he had given included all costs of production. Although apparently he adhered to the statement that it did, the fact remains that there are a number of charges which bring up the total cost to far more than 35s.—to 50s. or 55s. per ton.

Mr. WATKINS.—Nearly 60s. per ton.

Mr. McCAY.—One or two of the suggested charges could not be fairly included in the cost of production; but, at all events, whether the cost to Mr. Sandford is 35s. or 65s. per ton, I assert most emphatically that he would have to maintain a most strenuous fight for a long time against the steel trusts and other great corporations concerned in this industry. Whilst on the one hand we should not make the bounty so high and give it under such conditions as would render it possible for those engaged in the industry to simply earn it, and then go out of the business, making a profit, it is equally

important on the other hand, that it should not be so low as to render it impossible for them to withstand the market competition, which will be fiercely forced upon them for some years by the American steel trust and other corporations. We are on the horns of a dilemma. We may make the bounty so high that the industry will not be established, or on the other hand we may make it so low that it will be impossible to develop it. It is necessary for us to arrive at a happy *via media*, which will enable us to guard against injustice to the Commonwealth and at the same time to secure the development of the industry. I hope there will be no unreasonable delay in passing this measure. It will evidently require to be discussed from the protectionist stand-point, as well as from the free-trade point of view, but for the most part that discussion may well take place in Committee. I have merely risen to express my continued adhesion to the principle of the Bill, although, as I have already said, I am not prepared under any circumstances to nationalize the industry. As a protectionist, I trust that we shall have an opportunity, by means of this Bill, to establish what is perhaps the basic industry of all our great enterprises, and one which certainly cannot be described, even by the most pronounced free-trader, as other than a primary industry. It is as much a primary industry as is the growing of grain, or the raising of wool.

Mr. KELLY.—Can any industry that cannot stand alone be a primary one?

Mr. McCAY.—Certainly. As a matter of fact, no industry stands alone. The existence of financial institutions, which collect money from those who have saved it, and lend it to those who wish to employ it, shows that no industry can stand solely on the capital of those who are actually engaged in it—the *entrepreneurs*. They cannot find all the necessary capital. The only question in this case is whether the necessary assistance is to come, as some of my honorable friends desire, only from private individuals. There are few individuals, however, who could find the hundreds of thousands of pounds required to establish the iron industry. It is, after all, only a question of the source of the assistance to be given. I admit that we are bound, when we propose to devote public funds to a given object, to point out in what direction the public will be benefited. I think we can

prove that the expenditure of public funds in this case will be justifiable. No industry can stand alone in the sense that those who are engaged in it can work it entirely on their own capital.

Mr. PAGE.—What protection does the pastoral industry receive?

Mr. McCAY.—I did not say that it received any protection. As a matter of fact, however, the pastoral and agricultural industries of every State receive Government assistance in the shape of reduced railway freights.

Mr. PAGE.—I should like to know of one instance in which that assistance has been given.

Mr. McCAY.—Wherever the State-owned railways of Australia are not paying, the cause may be found in the fact that freights on the country lines are unremunerative. The suburban lines always pay. Those engaged in the pastoral and agricultural industries receive assistance in various forms from the States. Some of my honorable friends speak of this as Socialism, but it is no more Socialism than it is individualism.

Mr. PAGE.—In what case have those engaged in the pastoral industry received any assistance?

Mr. McCAY.—I am not so familiar with the railway freights of the different States as to be able to readily quote a case in point; but in this case we are considering a national asset. We have a right to step in and assist in the utilization of that asset. Here is an undeveloped national asset at present lying useless in the earth. And it is because it is a national asset, because the nation will benefit by its development, because its development will increase the resources of the nation, its wealth and its population, and make us independent of outside sources for the carrying on, in time of peace as well as in time of war, of the ordinary operations of our national life, that we should support this proposal.

Mr. KELLY (Wentworth).—After the most closely reasoned and able speech by the honorable and learned member for Corinella to which we have just listened, I must at the outset express my regret that, in spite of the number of questions upon which honorable members of the Opposition think in common, I find that on this question I cannot be in agreement with my honorable and learned friend. My honorable and learned friend put his chief reasons for supporting this Bill in a few catch phrases—such as “Australian wages for

Australian workers,” and “An Australian bounty for an Australian industry.” These phrases are uplifting, if unconvincing. Why not, might I ask him, also “Australian terriers for Australian watchdogs”? These catch phrases remind me of those which were very prevalent in New South Wales when the Federal Constitution Bill came to be discussed. One distinguished gentleman, who is now in England, told us of all that Federation was to do for Australia. We were told that it was to give us one people, one language, and one destiny; and now we find that it is also to give us one High Commissioner, who, that most distinguished gentleman wishes us to believe, could most conveniently be that most distinguished gentleman himself. The honorable and learned member who preceded me made as telling an indictment against the Bill as it stands—not against the principle of protection—as any honorable member of the Free-trade Party could possibly make. He stated most distinctly that, whereas he was in favour of supporting the iron industry of Australia for private enterprise, he was strictly opposed to a proposition to nationalize it. Now, sir, I hold that every one who analyzes this Bill must recognise that its result will be, not to give an impetus to private enterprise in the production of iron, but to bring about the nationalization of the industry. I have no sort of satisfaction in being able to say to the present Government, “I told you so,” but in dealing with their policy speech I took the line that the Manufactures Encouragement Bill would be made a bridge over which the supporters of the giving of a bounty to private enterprise could walk into the camp of our socialistic friends, who will have nothing to do with any enterprise of a private character. I think that forecast has been abundantly justified by the Bill now under discussion.

Mr. WATKINS.—Will the honorable member tell us of the bridge that was constructed to enable one party in the House to join another in putting out the Labour Government?

Mr. KELLY.—It is out of consideration entirely for my honorable friend's and the Government's feelings that I do not refer to that ancient treachery of theirs. I only wish to say at this stage that every estimate formed on this side of the House as to what would be the action of the Government in regard to its

legislation has proved correct. We know—and I am glad to see that the country is awakening more and more every day to a knowledge of this fact—that, under the guise of introducing a very innocent type of measure, the Government, in the first Bill submitted to us, have brought forward a proposal that is acceptable only to one-third of the House and to a tenth of the people of Australia.

Mr. PAGE.—To what Bill does the honorable member refer?

Mr. KELLY.—The Trade Marks Bill. In the Bill now under discussion we find that they are not proposing to honestly grant some encouragement to private enterprises, but that they are hedging the proposition round with all sorts of—

Mr. WATKINS.—Safeguards.

Mr. KELLY.—I shall not say “safeguards,” because the provisions in question are not put forward straightforwardly. Safeguards are usually found inserted in Bills in a straight-out, honest way, but we have to analyze the clauses of this Bill very closely before we find what is their real intention.

Mr. PAGE.—Would the honorable member take up shares in a company promoted under this Bill?

Mr. KELLY.—No; and I do not think the honorable member would.

Mr. PAGE.—That is so.

Mr. KELLY.—The honorable member gives me the proof for which I have been asking. He and his party realize that a company could not be formed under this Bill to work the iron industry.

Mr. PAGE.—That is my personal view.

Mr. KELLY.—And I think it will be the view of any honorable member who impartially considers this measure. We are here, not to consider the exigencies of a Government who are kept in office by the goodwill of a party who wish to nationalize all industries, but to see whether this Bill is really an honest expression of a sincere conviction. We know that one-third—or possibly more—of the people of Australia have protectionist leanings, and that they may possibly desire an honest effort made to give expression to their views on this important question. We know also that another party, whose only ambition is the co-operative commonwealth, will have none of the undiluted idea of protection, and is now forcing the Government it supports to its own ends. We know, therefore, that

this is not an honest effort to give expression to the protectionist principle, but is designed really to lead to the realization in particular of the socialistic aspirations common to one-third of the members of this House. The Government came into office with a false pretence of virtue misunderstood. The fact that it was not misunderstood becomes more and more apparent to Australia every day. It is, perhaps, only natural that as the Government was born so it should live—by false pretences and deceit.

Mr. SPEAKER.—The honorable member must not charge honorable members in that way.

Mr. KELLY.—I am making a charge, not against honorable members individually, but against the Government.

Mr. SPEAKER.—The honorable member must not make such a charge against the members of the Government.

Mr. KELLY.—Shall I be in order, sir, in saying that this Bill is a false pretence to carry out the protectionist policy in Australia?

Mr. SPEAKER.—The honorable member may allege political false pretences.

Mr. KELLY.—I am speaking of the Government purely in a political sense.

Mr. SPEAKER.—Then it is purely a matter of taste as to whether the honorable member should so describe it.

Mr. KELLY.—Exactly, and as I am the judge of the propriety of my own actions in these matters, I shall so describe it. The Bill is entitled, “The Manufactures Encouragement Bill;” but I hold that it should be called, “The Nationalization of Manufactures Encouragement Bill.”

Mr. PAGE.—Then why does not the honorable member amend the title?

Mr. KELLY.—I shall move such an amendment in Committee, and shall expect the support of my honorable friends on the corner benches. The Commonwealth, however, cannot nationalize an industry until there has been an alteration of the Constitution, and to attempt to alter the Constitution would be to direct the attention of the people to the fact that it is proposed to start a great socialistic concern. If the citizens of Australia were asked if they wish to see started here a great socialistic concern, they would say most emphatically that they do not. Therefore it is not openly proposed to start such an institution, but clauses have been placed in the Bill which



will make it impossible for the production of iron to be undertaken within the Commonwealth by private industry, or will, if started, make it so unprofitable that eventually the State in which the works are situated will have to take them over to save those connected with them from starvation. To begin with, the men employed in the works must be drawn from other avenues of employment within the Commonwealth, because under Federal legislation which my honorable friends in the corner initiated it is impossible for any man to come to Australia under contract.

Mr. BAMFORD.—That is not correct.

Mr. KELLY.—A man may come here under contract only for the performance of a class of work for which competent men are not obtainable in Australia. It will thus be impossible to obtain iron workers unless we take them from other occupations. Then, we find that, under clause 9, these men are invited, when they become accustomed to their new avocation, to make such claims as regards wages as will, if the measure is administered as my friends in the corner would like to see it administered, prevent the carrying on of the industry with profit by private enterprise. When that happens, the works will have to be resumed by the State, because the only choice of the State will be either to have a number of unemployed on its hands, or to make the best of a bad bargain, and to run the industry itself. In this way, I say that clauses 8, 9, and 10 practically make provision for compelling the State to nationalize the industry. If that is not the intention, what is the need for these clauses? Every State of the Union has power of its own sovereign will to nationalize any industry within its own borders, and it is an insult for this Parliament to state what a State can or cannot do. Furthermore, the effect of the granting of the bounty will be, by restricting the area of competition, to create a monopoly, and is it not declared by my friends in the corner that all monopolies should be nationalized? They are now proposing the creation of a monopoly, in order that, later on, it shall be nationalized. But do honorable members imagine that any company will undertake this enterprise under the threat that if it makes a success of its undertaking, all chances of profiting by its enterprise will be taken from it?

Mr. PAGE.—Is there anything in the Bill which would prevent half-a-dozen companies from embarking in the industry?

Mr. KELLY.—Yes. The production of one blast furnace is very large. The Duquesne Works, at Pittsburg, which employ only 492 men, turn out 600,000 tons of raw iron per annum. Now, inasmuch as the private requirements of the Commonwealth amount to only 150,000 tons per annum, and the various Governments take at the most 300,000 tons per annum, the aggregate weight of iron required by Australia annually will be, at the very most, 450,000 tons per annum.

Mr. CONROY.—I think that in one year 470,000 tons were used.

Mr. KELLY.—It may be so. I am speaking entirely from memory; but I think that 450,000 tons is a fair statement of our annual requirements. On the Pittsburg figures less than 400 men would be needed to produce that iron.

Mr. PAGE.—There are more than 400 men engaged in one foundry in Melbourne. They would be affected indirectly.

Mr. KELLY.—I am speaking now only of the production of raw iron for the encouragement of which £250,000, or five-sixths of the whole bounty, is proposed. One company would certainly manufacture all the iron needed in Australia.

Mr. PAGE.—Could not iron be produced here for export?

Mr. KELLY. — My honorable friend, as a labour free-trader, knows that if it is impossible to produce iron locally without a bounty, it cannot be produced with one for export. The object of the measure is to so restrict the area of competition as to create a monopoly. My honorable friends in the corner will then insist on the nationalization of that monopoly, and the Government who are their humble servants in all matters political, will, when the time comes, be prepared to act accordingly. As the honorable and learned member for Corinella has declared himself to be opposed to the nationalization of this industry, I hope that he will vote for the omission of the clauses to which I have referred, and if other protectionists who object to State Socialism do the same, we shall get a true declaration of the policy of the Labour Party in regard to this matter from my honorable friends in the corner. This Bill differs considerably from other Manufactures Encouragement Bills which have

been before the Chamber. There is very little difference between the first Bill introduced by the right honorable member for Adelaide and the second Bill introduced by the honorable member for Hume, the chief difference being that, while the first Bill provided for the granting of bonuses, the second provided for the granting of bounties. This third Bill, however, departs altogether from the plan of the other two, and contains a number of alien principles, with one or two of which I should like to deal. One of the most peculiar provisions in the Bill is that which says that the Minister may at any time, but not oftener than once in six months, refer to the President of the Commonwealth Court of Arbitration and Conciliation the question of fair wages to be paid. That gentleman is to decide all questions of rates of pay and wages in the Australian iron industry. He will have the power to definitely fix the wages to be paid, or to decide that the wages shall be upon the same scale as the highest obtaining in any State; but at the same time, under the Bill he will have no authority to regulate the conditions of labour. We know that high wages with bad conditions are almost as undesirable as low wages with good conditions. Let us suppose, for instance, that the conditions of employment in the iron industry became so obnoxious as to cause the men to appeal to the State Arbitration Court. If that Court decreed that the conditions must be ameliorated, we may fairly assume that the cost of production would be increased, and that the syndicate would find that it could not afford to pay the highest wages current in any State and also to make the conditions of labour such as the State authority insisted upon. They would then be compelled either to reduce the wages of their employés or to forfeit their security bond.

Mr. BAMFORD.—It does not necessarily follow that the cost of production would be increased.

Mr. KELLY.—The honorable member must admit that that probably would be the result. The manufacturers would then either have to sacrifice their security bond, or defy the State authorities, and run the risk of having their works closed down. The State authorities would then be called upon to nationalize the industry, or take the responsibility of opening up relief works to absorb the men who had been dragged from their natural avenues of employment

into the iron industry. We know that the rate of wages varies very considerably throughout Australia, and we also know that under section 51 of the Constitution it is provided that the Parliament shall have power to make laws with respect to bounties on the production or export of goods, but so that such bounties shall be uniform throughout the Commonwealth. It is obvious that if the wages fixed by any tribunal of the Commonwealth were calculated on a different basis in different States, the bonus would operate unequally. Therefore this Parliament would be put in the position of paying a bounty contrary to the terms of the Constitution. It is very clear that one of two States will probably be selected for the establishment of this industry in the first instance. The choice will probably lie between New South Wales and Tasmania. Let us suppose that the industry is started in the latter State. The President of the Commonwealth Arbitration Court would probably decide that the wages to be paid in the industry should be the highest wages paid for kindred work in Tasmania. Suppose, then, that a new company afterwards started operations in New South Wales. The President of the Commonwealth Arbitration Court would then decide either that the wages paid should be the highest wages paid in New South Wales or the highest paid in Tasmania. If the Commonwealth authority decided upon the latter course, and the Tasmanian rates were lower than those prevailing in New South Wales, the New South Wales Arbitration Court could step in and insist upon the wages being brought up to the State standard. If, on the other hand, the Tasmanian wages were higher than those prevailing in New South Wales, and the Commonwealth Court decided that those rates should prevail in the iron industry in New South Wales, the enterprise subsidized by the Commonwealth would, owing to the increased rates of pay provided for, unduly draw men from other industries in the State. If, on the other hand, the wages paid in the subsidized iron industry in New South Wales were lower than those prevailing in kindred industries there, the name of the Commonwealth enterprise would become a by-word for all that was undesirable in connexion with the conditions of employment. These are the difficulties with which we are beset in connexion with the regulation of the industry. It is clear that if the Justice

intrusted with this most important duty is, by fixing wages on the scale obtaining in each State, to carry it out in such a way that the bounty-fed iron industry will not become a subject for either contempt or envy among neighbouring industries, he will have to so regulate matters that the bounty will become unconstitutional, and, therefore, subject to immediate revocation. I desire now to refer to the power with which it is proposed to invest the President of the Commonwealth Arbitration Court to assess the compensation to be paid by a State, in the event of its resumption of the works. I take it that this is a deliberate interference with the self-governing rights of sovereign States. The provision relating to the fixing of wages is a deliberate interference with the right of the States to manage their own industrial affairs, and the provisions, to which I am now referring, are a further trespass upon the sovereign right of a State to decide what compensation it shall pay in respect to any property it may acquire. Suppose, for instance, the industry were started in Western Australia, and the State Government were to decide that it would be profitable to take over the works, should it be bound by the Commonwealth Arbitration Court as to the amount to be paid to the company? Surely Ministers are sufficiently cognizant of the powers of the Commonwealth under the Constitution to know that it could not act in the manner provided for in the Bill. Are these clauses inserted in order to guard those who invest their capital against being robbed by the States, or are they intended merely as a sop to the feelings of the protectionists? It is a pity that so few honorable members should be present when matters of this kind are being discussed. Honorable members have not given this matter the close attention they should have done, but they have left it to members of the Opposition to think for them, and to point out the unworkable character of many of the provisions of the Bill. The duty will afterwards devolve upon those honorable members to explain to their constituents why they advocated a Bill in the nature of a bridge over which the avowed champions of protection might march into the camp of Socialism.

Mr. WILKS.—Would not the honorable member like a quorum to be present? [*Quorum formed.*]

Mr. KELLY.—When I was interrupted I was endeavouring to show that the pro-

visions in this Bill regarding the compensation to be paid by a State in the event of the resumption of the industry must have been inserted for the express purpose of hoodwinking the people of Australia. I now propose to discuss the basis upon which these bonuses are to be computed. I find that upon a certain class of article a definite price is to be paid. A bonus of 12s. per ton is to be paid upon the production of pig iron, puddled bar iron, and of steel made from Australian pig iron. A clause in the Bill provides—

No bounty shall be authorized to be paid unless the manufacturer of the goods furnishes proof to the satisfaction of the Minister that the goods are of a good and merchantable quality, and that the requirements of this Act and the regulations have been complied with.

It is clear, therefore, that after the iron has been produced the Minister is to be vested with the power of determining whether it is up to standard. That consideration recalls, to my mind, the excessive powers with which it is proposed to invest the Minister under the provisions of measures which have recently been placed before this Chamber. In the two previous Bills dealing with this bounty which have been discussed by the House, provision was made that "satisfactory proof" of the quality of the iron produced should be forthcoming. That meant, I presume, proof which would be satisfactory to an expert. Now, however, "the Minister" is to be satisfied as to the quality of the product. How can the Minister possibly know what is the quality of the iron produced? His statistics have been proved to be so absolutely fallacious that I do not think we are justified in intrusting to him the power of declaring what is the value of the article in question. We know how easily he allowed his imagination to run away with his discretion upon the question of the f.o.b. value of harvesters imported into Australia. If his imagination can be stretched so far upon such a simple matter of fact, it might be strained very much further in determining the quality of any article produced by the iron industry. In the case of galvanized iron, wire netting, iron and steel tubes or pipes—except riveted or cast—being not more than six inches internal diameter—it is proposed that a bounty of 10 per cent. on their value shall be allowed. How is the Minister to assess the value of those articles? If it be difficult for him to appraise the value of the crude product, how much

more difficult will it be to assess the value of the finished article? Under the provisions of the Bill the Minister is to decide as to the quality of all these articles. No bounty is to be payable upon them unless he is satisfied as to their quality. Why should this House frame any Bill in such a way as to allow of political pressure, if not political maladministration, being applied to defeat the ends of legislation. Let us assume that the iron industry was started under the spur of this bounty. The men who would be engaged in the enterprise would be justifiably anxious to better their condition. Their employers, however, would not be able to make up for an improvement in the labour conditions by raising the price of the article to the consumer. They are forbidden to increase its cost—

Mr. BAMFORD.—The price is not mentioned in the Bill.

Mr. KELLY.—The measure contains a provision relating to the question of price. I refer to clause 4, which, I may observe in passing, has been drafted in a very slovenly way. That, however, is a matter which can better be considered in Committee.

Mr. PAGE.—Why not let the Bill get into Committee?

Mr. KELLY.—If the honorable member will permit me a free opportunity of expressing my opinions I shall not occupy half the time that I otherwise should do. The position is that the employers in this industry will not be able to increase the price of their goods in order to compensate them for the cost of any improved conditions which may be granted to their employes. Consequently, the industry will be compelled to depreciate the quality of the article supplied. The Minister will then be placed in this position: If he draws attention to the fact that the quality of the articles supplied is not up to standard he will probably cause a number of men who are engaged in the industry to be thrown out of employment by reason of the cessation of operations. I can well understand the political pressure which, under such circumstances, will be applied to him. We all know the influence which members of Parliament, and the press, can exert. All these influences will be brought to bear with a view to inducing the Minister to declare that the quality of the product has

not depreciated. I come now to the consideration of another point. Can one establishment for the production of iron supply the needs of Australia in competition with the outside producers? Let us suppose, for example, that the industry was started in Tasmania. We know that the question of freights must be considered in a matter of this kind. How are those freights governed? They are governed more by volume of trade than by distance. We know perfectly well that the freight from Tasmania to Western Australia is considerably higher than that from England to Western Australia. Therefore, even if this bounty were effective in allowing the Tasmanian manufacturer to supply the needs of that State, it is apparent that he could not supply the wants of Western Australia and possibly some other States in competition with the English article. That is absolutely clear. It is extremely improbable that more than one iron works will be started in Australia as the result of the payment of this bounty. Consequently, it is obvious that the bounty will be of advantage only to the State in which the industry happens to be started. Let us assume that one State alone is to have control of this industry. Why should another State be taxed for its advantage? If, as the result of this Bill, the industry is started in New South Wales, why should Victoria be taxed for the advantage of that State? Or, if the industry is to be established in Tasmania, why should New South Wales be taxed in respect of it?

Mr. AUSTIN CHAPMAN.—There are large deposits in every State.

Mr. KELLY.—I have already shown that 492 men in Pittsburg can turn out more crude iron than the whole of Australia could consume. What is the use of talking about vast deposits of iron existing in all the States in view of our limited consumption? We might turn out immense quantities of iron; but if that which we could not consume had to be thrown into the sea, what useful purpose would be served? No one is more anxious than I am to see our iron deposits worked if that can be done profitably.

Mr. GROOM.—How does the honorable member propose to develop them?

Mr. KELLY.—Have all the industries of Australia been started under protection? Have the pastoral and agricultural industries of New South Wales been protected?

Mr. AUSTIN CHAPMAN.—Yes.

Mr. KELLY.—Are not honorable members aware that in New South Wales we built up a boot industry under free-trade, which was healthier even than the boot industry of Victoria? It does not require a bounty to build up an industry. If assistance be given to an enterprise, that enterprise claims a vested right to the continuance of the assistance. I do not wish to be led into reading the evidence taken by the Commission, but we know from the report that the consensus of opinion on the evidence submitted in favour of the Bill is that the iron bonus will not be effective unless it be followed by a duty. What is the use of talking about the iron bounty as one that is going to establish the industry? For nearly forty years industries have been fostered in Victoria under the belief that they can be placed on their feet in this way. They have been a very long time, however, in getting on their feet—almost as long, so to speak, as some of my honorable friends opposite have been in rising to defend this measure.

Mr. TUDOR.—We have not had an opportunity.

Mr. KELLY.—Are my honorable friends in the Ministerial corner anxious to discuss the Bill?

Mr. TUDOR.—The honorable member will know when he resumes his seat.

Mr. KELLY.—We have to consider the question of where the capital to be invested in this industry will come from. If the necessary capital is to be raised in Australia, what advantage will the Commonwealth derive? How are the people to be benefited by shifting money from one field of enterprise in Australia to other avenues of investment? It does not matter to Australia as a whole where she invests her money, provided that the investment is equally productive. Surely those of the people of Australia with money to invest are the best judges of what field offers the most productive opportunity for investment. If, on the other hand, the capital to be put into this industry is to be introduced from abroad, it is obvious that interest will have to be sent out of Australia in return. The return from the money introduced to start the industry will have to leave the Commonwealth. We all know that money makes money. Bringing money into a country makes money in that country; but that is not the only point in this case. We are told by those who are asking for this assistance that capital

will not be invested in the industry unless we grant £300,000 to make up the interest on that capital investment. That £300,000 will be the first of the money that must leave Australia as the result of granting these bounties. This £300,000 is to be the first return on which the investor can reckon, and that return will go where the capital came from. Consequently, as the result of the passing of this Bill the people of Australia will be £300,000 poorer than they otherwise would have been. Having received the assurance of my honorable friends in the Ministerial corner that they are anxious to explain what these proposals really mean, I do not intend to take up very much more of the time of the House in dealing with them. As a free-trader, I naturally object to the Government seeking to make the Treasury a source of profit to any syndicate. I naturally object to tax the whole people to benefit a chosen few. I object also to wasting the national energies on industries that cannot stand alone, and cannot therefore at the present time, at any rate, be natural. As a free-trader, I notice with considerable alarm that the bulk of the evidence shows that the bounty cannot continue without a duty to back it up, and that duty must inevitably increase the difficulties in the way of our natural productions. I know further that the iron bounty will entice men from natural industries where they are earning a livelihood beneficial to the country—either on the wharfs—

Mr. EWING.—Or shifting sand.

Mr. KELLY.—That is what they will be called upon to do if this industry be established on the terms that my anti-socialistic friend is so anxious to provide in this Bill, if only to retain his present Ministerial position.

Mr. EWING.—I was only reminding the honorable member that some men have been employed in shifting sand.

Mr. KELLY.—The honorable gentleman seems to think that is a reason why we should induce other men to follow that unremunerative occupation. In addition to my natural objections to this measure from the point of view of a free-trader, I say that if I were a protectionist I would also have nothing to do with it. Upon an analysis of the Bill it must be seen that it is not designed in the interests of the Protectionist Party of Australia. It will frighten away capital. It will advertise Australia as a country which cannot herself start this

venture, but is prepared, under this very measure, to rob of the results of their enterprise and pluck those who may be so foolish as to enter upon the industry, if that enterprise and pluck in seeking to establish the industry are crowned with success. If the venture is a failure—unless good money is to be thrown after bad to keep it on its feet—the Bill means that £300,000 is to be thrown up the spout. Even if the venture is successful this Bill will be only a means of finding administrative billets for my socialistic friends in the Ministerial corner, and for all these reasons I shall resist it to the utmost of my power.

Mr. HENRY WILLIS (Robertson).—I propose to vote against this measure, first of all because I am a free-trader, and secondly because I believe that it is simply designed to promote speculation. I should like to say at the outset that a free-trader is not opposed to the establishment of such an industry as that which this Bill is designed to assist. On the contrary, he would hail its establishment with great satisfaction, and many persons would not oppose the payment of the bounty, holding that it constitutes the least objectionable form of assisting the industry. But what I fear is that even after its establishment the industry will be granted protection that it really does not require. I have consulted the Minister of Home Affairs, and learn that it is the intention of the Government to move in both Houses that the industry shall be brought under the operation of the Customs Act when payment of the bounty ceases. I wish to say definitely that I would be in favour of the establishment of the iron industry by means of a bounty if it could not be established in any other way, as in my opinion that is the least objectionable form of assistance that could be given, and one would know what it would cost. But by passing this Bill we shall at once give our assent to the imposition of a protective duty of 10 per cent. on iron production scheduled herein. On the face of it the Bill suggests that the least objectionable form of protection is to be extended to the enterprise, because it does not show that after the bounty ceases direct protection will be granted to it. In my opinion, however, the iron bounty will simply offer a premium to the speculator who at present has this matter in hand. We know very well that it is suggested that something like £1,000,000 will be expended in the estab-

lishment of the industry if this Bill be passed. The iron-masters of England assert, however, that a plant costing less than £500,000 would be almost sufficient to turn out enough iron to meet the consumption of steel rails, not of Australia alone, but of England itself. The special pleading in support of the measure on the part of those personally interested in the project is really beside the mark. We have had a statement by the promoter that the establishment of the industry would find employment for 3,000 men, while the very next interested party that we meet tells us that it would give employment to 13,000 men. This seems to show that the persons most concerned with the venture are anxious to throw dust in the eyes of the people. I have had a very great deal to do with a project of this kind in the past, and I was in the very thick of the movement in connexion with which a proposal was made to the Government of New South Wales, to establish the iron industry there on a free-trade basis. Mr. Joseph Mitchell then had the matter in hand.

Mr. AUSTIN CHAPMAN.—What did the honorable member advocate then?

Mr. HENRY WILLIS.—I advocated the establishment of the industry on a free-trade basis. I was of opinion that there should be open competition, but that the steel rails made in Australia should be purchased at the lowest English price, plus freight and charges—the natural protection.

Mr. WILKS.—The industry under that scheme would have been established upon business lines.

Mr. HENRY WILLIS.—Upon free-trade business lines.

Mr. EWING.—What are free-trade business lines?

Mr. HENRY WILLIS.—Business lines by which trade is untrammelled. English capitalists were prepared on the occasion to which I refer to invest £500,000 in plant and works, and in the buying of properties in Australia for the successful carrying on of the industry.

Mr. EWING.—What was Mr. Mitchell to get?

Mr. HENRY WILLIS.—I do not wish to go into particulars which may not interest honorable members or the public; but I may say that Mr. Mitchell would have made a very large fortune if the venture had succeeded; and that is what the promoters of the scheme connected with the introduction of this Bill hope to do. He

would have floated the company in England, and the necessary properties and coal mines would have been transferred to those who invested money in them. I personally own those properties to-day. I am the owner to-day of all the properties that were necessary for the conduct of that enterprise. The necessary funds could be obtained, and the industry started now but for the fact that the Government are dangleling before English capitalists this offer of £250,000. I went pretty exhaustively into the whole question some years ago, when the first Bill was introduced, and proved my *bona fides* by documentary evidence. When a similar Bill was being discussed some years back, I was in communication with London capitalists, whom I represented in Australia, and they told me that money would be forthcoming for the establishment of this industry, but they said, "You must not expect the capitalists of England to refuse £250,000 if they see any chance of getting it." While this offer is before the English public they will not invest in a scheme for the establishment of the industry on a free-trade basis.

Mr. TUDOR.—It is strange that something was not done before this offer was dangled before English capitalists.

Mr. HENRY WILLIS.—The money was not put up for the establishment of the industry on a free-trade basis, because it was stipulated that a sufficiently large sum should be invested in plant whose capacity for output would largely exceed the requirements of New South Wales. Those who were interested in the concern felt that it would be useless to establish works if a market could not be found for their output, and they therefore asked for a guarantee that the other Colonies—this was prior to Federation—as well as New South Wales, would agree to take steel rails from them. If the State of Victoria had agreed to take its supply of steel rails from the New South Wales works, that would have been sufficient.

Mr. WILKS.—Would the honorable member like to have a quorum to hear these statements? [*Quorum formed.*]

Mr. HENRY WILLIS.—I am not particularly anxious to have a large House to hear my speech on this occasion, because I was fortunate in having an excellent attendance when I delivered an exhaustive speech on a similar measure some years ago; but I feel that I must not allow the

Bill to pass without saying something upon its principles. The giving of a bounty for the establishment of this industry would not be such a very extravagant thing to do if all that has been claimed for the scheme were realized. But we know that that will not happen. The Minister of Trade and Customs told us, when making his second-reading speech, that Australia imports 7,000,000 tons of iron material annually, and that our requirements could be satisfied by a local industry. It does not follow, however, that anything like that output, including various kinds of manufactured ironmongery, would be the result of the establishment of local ironworks, nor is it necessary that they should have such a large output. Thousands of industries must be established in Australia before we can hope for a local output of 7,000,000 tons of iron manufactures. The honorable gentleman also said that the establishment of the industry would give employment to 13,000 men, though at the most only 300 men would be employed, and it is questionable whether Australia could use all the iron which they could produce. I do not think that it is stipulated in the Bill that a larger sum than is necessary shall be invested in plant, but a great deal will be required for the purchase of properties necessary for the proper conduct of this business. While it is contended that all the ore required may be obtained from Tasmania, I am of opinion, from the reports of experts who visited Australia to inquire into this matter some years ago, that several States will be drawn on for different kinds of ore. The establishment of the iron industry here would be an excellent thing for Australia, but it is not necessary to give a bounty of £250,000 to bring it about. £500,000 has been mentioned as the sum necessary to establish the industry, and the Minister said that £1,000,000 would be put into it. I quite believe that £1,000,000, if not more, will be put into it; but for what purpose? To pay out the promoters of the scheme. There is a huge fortune awaiting them. All those who hold properties necessary for the carrying on of this industry will be able to get fabulous sums for them. Parliament, however, should not unnecessarily vote £250,000 for the establishment of an industry which might be established on free-trade lines, if we said that Australia would not grant this bounty. Australia is a young country, and our requirements

of iron for the construction of railways and other public works are very great. There is certain to be a large demand for iron here, and all that the promoters of the iron industry should want is a guarantee that the steel rails used by the States Governments will be taken from them. I do not expect the measure to pass; and I hope that when it is set aside, we shall wait a few years to see if capitalists are not prepared to put their money into the industry in connexion with a free-trade venture. As I have shown, they will not do that so long as there is a prospect of getting this £250,000 bounty. The Bill may get into Committee, in which case it will require amendment; but all I am concerned about now is its main principle, which I shall oppose.

Mr. McWILLIAMS (Franklin).—It is not my intention to unnecessarily delay proceedings, but, as this proposal is an entirely new departure for the Commonwealth, one who conscientiously objects to it has a perfect right to express his opinion upon it. I am not prepared to shape my opinion according to the views held by any other honorable member. I contend that it is nothing less than a swindle to hand over £300,000 of the taxpayers' money to a company, the promoters of which are to receive 500,000 shares out of the 1,000,000 shares constituting its capital.

Mr. FRAZER.—No company is mentioned in the Bill.

Mr. McWILLIAMS.—No; but a certain company is mentioned in the evidence taken by the Bonus Commission, and it is well known that in the event of a bonus being granted, it is prepared to immediately proceed with the establishment of the industry.

Mr. HUTCHISON. — The company will have to produce iron before they can claim 1s. of the bonus.

Mr. McWILLIAMS.—Some time before I entered this House the question of the establishment of the iron industry was discussed, and I took a considerable interest in what was going on in regard to it, and also in the proceedings of the Bonus Commission. The general opinion was expressed, that, if the bonus were granted, the company that had practically been formed to establish the industry would obtain the greater quantity of ore required from Tasmania. It was stated last evening by the honorable member for Hindmarsh that the

leader of the Labour Party at one time objected to the bonus being given to a private company, because he had hopes that the industry would be nationalized, but that he was not at present opposed to the granting of a bonus.

Mr. HUTCHISON.—I did not say that he was not opposed to the granting of a bonus.

Mr. McWILLIAMS.—I shall quote from the report, which was signed by the honorable member for Bland and also by the honorable and learned member for West Sydney after having heard the evidence adduced before the Bonus Commission. The whole of the witnesses who were called were, with the exception of one or two ironmasters, favorable to the passing of the Bill. The opening paragraph of the minority report, which was signed by the honorable member for Bland, among others, reads—

We, the undersigned members of the Commission, are against the passage through Parliament of the Bill for the payment of bonuses by the Federal Government for the establishment of the iron industry within the Commonwealth.

Mr. HUTCHISON.—Some of the members who signed that report desired that the industry should be taken up by one of the States Governments.

Mr. McWILLIAMS.—There is no authority for putting such words into the mouth of the honorable member for Bland.

Mr. HUME COOK.—The honorable member is ignoring what the honorable member for Bland has since said in this House.

Mr. McWILLIAMS.—I have too high an opinion of the honorable member for Bland to suppose that he would put his name to a report which expressed views that were not shared by him.

Mr. HUTCHISON.—Surely he can alter his opinion if circumstances change. It is well known now that none of the States will undertake to establish the industry.

Mr. McWILLIAMS. — The honorable member is seeking to twist the words of the honorable member for Bland out of their plain English construction. Why was the honorable member for Bland opposed to the Bill? Because it provided for the payment of £324,000 of the public money to private individuals. We cannot feel assured that the proposed bonus would result in the permanent establishment of the iron industry, although there is very little doubt that it would probably act as an inducement for the formation of a speculative company,



and yield a considerable profit to the promoters. The report from which I have already quoted proceeds—

The Bill provides for the payment of £324,000 of the people's money to private individuals engaged in an enterprise for their private gain. There can be no guarantee that the bonuses proposed would permanently establish the industry, though it is probable the inducements offered might be instrumental in forming speculative companies.

One of the witnesses, Mr. Sandford, managing director of the Eskbank Iron Works, New South Wales, stated that he had made an agreement with an English syndicate to spend £250,000 in extending the Lithgow works if the Bill passed. In answer to another question, Mr. Sandford said that to make pig iron he wanted a plant involving an expenditure of from £100,000 to £125,000. This estimate is less than half the sum proposed to be paid in bonuses.

According to the evidence of the promoters of the scheme a company has already been formed with a capital of £1,000,000. At page 35 of the report, questions 706 and 707, the following occurs:—

*By Mr. Watson.*—I understand that so far you have not formed the proposed company?—The company is in existence at the present time. It contains 1,000,000 shares, 500,000 of which are issued to the owners of the mine, and we have to put up £30,000 as well.

*By Mr. McCay.*—What is the value of the shares?—They are £1 shares.

Mr. AUSTIN CHAPMAN.—Is the honorable member prepared to say that it would be a scandalous proceeding to establish an industry in Tasmania?

Mr. McWILLIAMS. — I say that it would be a scandalous proceeding to establish an industry under conditions which would involve our handing over to a syndicate £304,000 of the public money. According to the evidence of the promoters of the company, they are to have the benefit of one-third of the bonus for themselves.

Mr. HUTCHISON. — They will have to give value for it before they can handle one penny of the bonus. What does it matter to us if we get the iron?

Mr. McWILLIAMS.—What a change has come o'er the scene. It is nothing to the honorable member if, by legislation intended to establish the iron industry, a monopoly is created, and £304,000 of the taxpayers' money is handed over to a lot of syndicate-mongers. There is another point to which I wish to direct attention. The honorable member for Melbourne Ports has taken a very great interest in the business of the ironmasters of Victoria and the other States, and he has told

us that their industry is in anything but a flourishing condition.

Mr. MAUGER.—Quite so; it is in a very bad way.

Mr. McWILLIAMS.—And yet the honorable member proposes to help that industry by creating a monopoly, which will hold all those who use iron in the hollow of its hand.

Mr. McCAY.—How could the granting of a bounty give a monopoly to any one in Australia?

Mr. McWILLIAMS.—I propose to show that there is not the slightest hope of a company being formed to establish the iron industry unless an assurance is given that when the bonus period terminates a duty of 12½ per cent. will be imposed on imported iron.

Mr. MAUGER.—If a company is not likely to be formed, why should we not pass the Bill, and have done with it?

Mr. McWILLIAMS. — I presume that we have something better to do than to discuss measures which are not likely to have any practical outcome. I take it that the Bill has been introduced seriously, and with the object of accomplishing some practical results. We have the evidence of Mr. Jamieson that a protective duty, as well as a bonus, will be required to establish the industry upon a firm foundation.

Mr. McCAY.—It is not proposed under the Bill to grant both a bonus and a duty.

Mr. McWILLIAMS.—No, but we know very well that if the industry be established owing to the granting of a bonus, we shall probably have an appeal made at a later stage for help by way of a protective duty for an enterprise that is being strangled. I object to the imposition of a duty upon the articles which constitute the raw materials of a vast number of our manufactures.

Mr. MAUGER.—There is no objection to a duty on iron if a sufficient margin is allowed by the imposition of a higher duty of, say, 35 per cent., on the manufactured article.

Mr. McWILLIAMS. — It is well that honorable members should understand that the protectionists aim at imposing a duty of 35 per cent. upon all the tools of trade of the agricultural and other industries of Australia.

Mr. MAUGER.—The more duty that is imposed, the cheaper the articles will become.

Mr. McWILLIAMS. — Then the best thing we could do would be to erect a Chinese wall round the Commonwealth, and shut out everything. I cannot reconcile with my views the idea that the Commonwealth shall, by legislation, deliberately take from the pockets of the people the sum of £304,000 and place it practically to the credit of a syndicate which, upon its own showing, is to receive 500,000 shares of £1 each out of a company with a capital of £1,000,000.

Mr. GROOM.—The bonus may be earned by other companies.

Mr. McWILLIAMS.—The estimates put forward by Mr. Keats, Mr. Darby, Mr. Sandford, and Mr. Jamieson, are all based upon the assumption that the companies in which they are interested enjoy an absolute monopoly, so far as the production of iron in Australia is concerned. I challenge any honorable member to produce one tittle of evidence to the contrary. As a matter of fact, I find that, in reply to question 2341—which will be found upon page 115 of the official report of the evidence taken before the Commission—Mr. Keats, the gentleman who has had the sole control of the operations of the syndicate in London, and who visited the old country for the express purpose of floating a company upon the terms outlined in this Bill, was asked by the honorable member for Melbourne Ports—

Do you think there is room for more than one iron works in Australia?

His reply was—

Yes, if we had our works established they would be practically steel works, because our iron is suitable for the manufacture of steel; but there could be no other works to produce foundry iron.

I want honorable members to reflect seriously upon these proposals. Only last night a motion was submitted in favour of the appointment of a Select Committee, with the avowed intention of breaking down what its author thought—and what I think—is becoming a very dangerous monopoly in Australia—I refer to the steam-ship owners' "ring." There is nobody in this House who entertains a stronger feeling against monopolies and trusts than I do. In this Bill we are asked to deliberately subsidize a huge monopoly by means of the payment of £304,000 of the taxpayers' money. The whole of the evidence taken before the

Commission is to the effect that one company—a company which will employ only a very small amount of labour—can produce the whole of the iron that is used throughout Australia. That is the testimony of the expert who was called, not to give evidence against the Bill then before the House, but upon behalf of those who advocate the payment of the bonus. I repeat that every estimate placed before the Commission was based upon the assumption that a single company enjoyed a complete monopoly of the iron trade of Australia. It was further stated that this was a preliminary company, and that a second company would require to be floated in order to provide the necessary capital. Are the 500,000 shares, to which I have referred, contributing shares, or paid-up shares? But, altogether apart from that consideration, Mr. Keats admits that after the stock of the company has been watered the flotation will be worth £200,000 to the owners of the mine. They are to receive £200,000, in addition to half the bonus. In other words, we are asked to hand over £350,000, including half the proposed bonus, to a syndicate which is to control the whole of the iron industry in Australia. The honorable member for Melbourne Ports put the question to several witnesses, "What will be the effect upon the ironworkers of Australia if a duty be imposed at the termination of the bonus period?" Mr. Jamieson admitted that the probability was that it would increase the cost of the raw material to the ironworkers of the Commonwealth. I wish to say that I have never read any evidence given before any Commission which impressed me as being more truthful upon its face than does that tendered by Mr. Jamieson. I believe that he divulged the whole of his mind to the Royal Commission, and I base my case absolutely upon his testimony. We all recognise that the moment we begin to tinker with the Tariff, we affect industries which are interdependent, and to which its ramifications extend. Mr. Thompson, a member of the firm of Thompson and Co., ironmasters, of Castlemaine, stated—

Every new impost on raw material is an additional cost to the manufacturer of machinery in the iron works of Australia.

He also pointed out that this company only proposed to lay down an exceedingly small plant when contrasted with the establishments to be found in Canada, England,

Scotland, Germany, and the United States. Mr. Thompson continued—

We do not think that the classes of iron which would be outlined here are sufficient for the trade.

It is well known that no industry requires at times a greater "fluxing"—if I may use that term—in its different grades than does the iron industry. One ironmaster has informed me that he is often obliged to import three or four grades of pig-iron in order to carry on operations. It will be impossible, I claim, to smelt the different grades of iron in the furnaces which it is proposed to erect in accordance with the scheme outlined before the Commission. Are we to impose a handicap of  $12\frac{1}{2}$  per cent. upon the users of iron throughout Australia, in order that we may protect another grade of iron, when the works are not able to produce the very grade upon which we levy the duty? In Victoria the iron trade is in the most depressed condition. I make that statement as the result of personal inquiries. Shall we improve the condition of the ironworkers of the Commonwealth by imposing a duty of  $12\frac{1}{2}$  per cent. upon their raw material? The baneful effects of such a proceeding have been evidenced in Tasmania in connexion with the jam trade. The duty which is levied upon sugar under our Tariff is equal to 40 per cent. upon the raw material of the jam-makers, and it is working disaster to the fruit-growers in that State.

Mr. WILKINSON.—But the raw material of one part of the Commonwealth may not be the raw material of another part. Sugar is a natural product in Australia.

Mr. McWILLIAMS.—Of course it is. Just as it is wrong to impose a duty upon one industry at the expense of another, so it is wrong to levy an impost upon iron which is used in every iron manufactory throughout the length and breadth of Australia. I have no desire to labour this matter. There are one or two points with which I propose to deal when the measure reaches Committee. The report, which was signed by the honorable member for Bland, the honorable and learned member for West Sydney, the honorable and learned member for Illawarra; Mr. Kirwan; Mr. Winter Cooke, and the honorable member for Parramatta, states—

We, the undersigned members of the Commission, are against the passage through Parliament of the Bill for the payment of bonuses by the Federal Government for the establishment of the iron industry within the Commonwealth.

That was the opinion of the honorable member for Bland and of a great majority of the Labour members who sat behind him when this Bill, in its original form, was under discussion. Where are those honorable members now? They have sat like mummies and allowed the whole of the opposition to this measure to fall to others. I can just imagine the fiery orations of the honorable member for Darwin if the late Government had proposed to grant a bonus equal to £300,000 to any company. "Boodler" is the mildest term which he would have employed. Honorable members sitting on the Ministerial benches, as well as those in the Ministerial corner, have so far allowed the whole of the criticism of the Bill to devolve on the Opposition.

Mr. CARPENTER.—We have heard denunciation, but not criticism.

Mr. McWILLIAMS.—I do not think that is a fair statement, so far as I am concerned. I have endeavoured to deal seriously with the Bill, and have offered no factious opposition to it. I hold, however, that, as a representative of the people, it is my duty to carefully examine it, and that honorable members opposite, even if they are prepared to allow the measure to pass without discussion, have no right to stigmatize fair criticism as mere denunciation. I shall vote against the second reading of the Bill; but if it be taken into Committee, it will be my duty to attempt to remove what I consider are some of its anomalies. I warn the House that if this Bill be passed, it will simply hand over £304,000 to a syndicate, which will receive practically £750,000 as the result of their venture, and that we shall thus create one of the most serious monopolies that has ever existed in Australia. I am not one of those who believe that the State should interfere with private enterprise more than is absolutely necessary; but, rather than that the Bill should pass in its present form—especially if the taxpayers of the Commonwealth are to be swindled, and their money taken from them in this way—I should prefer to vote for the bounty going into the coffers of the State. I should prefer to see the State swindle the public rather than allow a syndicate to do so.

Mr. KNOX (Kooyong).—The honorable member who has just resumed his seat has used some very strong expressions, and has

spoken of an attempt being made by a syndicate to swindle the public.

Mr. McWILLIAMS.—I should like to explain that when I used the word "swindle"—

Mr. SPEAKER.—The honorable member cannot make an explanation at this stage.

Mr. McWILLIAMS.—I should not like it to be thought that I used the word "swindle" in relation to any particular individual.

Mr. KNOX.—Every honorable member is justified in forming his own opinion with regard to the proposals contained in the Bill, and if the honorable member for Franklin considers that he was right in using the expression to which I have just referred, I can take no exception to it. But, inasmuch as the name of Mr. William Jamieson, who gave evidence before the Commission, has been frequently mentioned during the debate, I think I am entitled to say that if it was intended to apply the word "swindler" to him, or to those associated with him, no more unjust or uncalled-for observation could have been made. If honorable members will take the trouble to read the evidence which Mr. Jamieson gave before the Commission, they will at once see that it is that of a straightforward man, who desires to conceal nothing.

Mr. McWILLIAMS.—Hear, hear. I have said exactly what the honorable member now says of Mr. Jamieson.

Mr. KNOX.—I am glad to hear it. I repeat that no one would be justified in applying the word "swindler" to Mr. Jamieson. I trust that it is needless for me to explain that, although I am associated with various mining enterprises, I have no interest, direct or indirect, in the Blythe River syndicate. Whatever may be the designs of others who wish to benefit by this Bill, I am able to say that the promoters of the Blythe River scheme are imbued only by an honest desire to create a legitimate enterprise. The syndicate was formed, not to exploit Governments, or shareholders, or any one else, but simply to provide for the establishment of a strong creditable enterprise in Tasmania. Mr. Jamieson, to whose evidence frequent reference has been made, has been associated with some of the most important mining undertakings in Australia. He was one of the first interested in the Broken Hill Proprietary Company, and is

now connected with other extensive mining undertakings. I can honestly say that he stands in the very front rank of capable and upright business men, and that his evidence before the Commission was characterized by the utmost frankness and candour. I knew nothing about the details of the scheme which the Blythe River syndicate have in view until a day or two ago; but when reference was made to it in the House I felt it my duty to see that reflections were not unjustly cast upon the members of that syndicate. I consequently made inquiries, and learned that the gentlemen in question enlisted the services of Mr. Darby—who is considered to be one of the most prominent iron experts in England—to inspect the Blythe River iron deposits, and to advise them as to whether it was possible to establish an enterprise in connexion with them that would be financially successful. Mr. Darby furnished an elaborate report to the syndicate, and I propose now to give a summary of it. I find that in his opinion the first step necessary to place the enterprise in anything like a sound position is to expend £17,108 in opening up the mine. If it were not for the fact that the deposits on both sides of the river are easy of access, £117,000, instead of £17,000, would be necessary for this purpose. In the circumstances, however, all that is needed for the proper working of those magnificent deposits is the erection of machinery at the cost I have mentioned. Then, again, it was estimated by Mr. Darby that a sum of £26,649 would have to be expended in providing sidings, approaches, and ore-loading docks at Burnie. Honorable members are aware that coal and fluxes must be obtained as cheaply as possible, in order to enable the enterprise to be worked successfully, and with that object in view Mr. Darby suggested that the company should purchase steamers of its own to convey flux and coal to the works. This he estimated would involve an outlay of £122,000. A further outlay of £45,137 would, he held, be necessary to provide wharf and unloading arrangements at Sydney. The syndicate had secured the option of acquiring land which is very close to one of the large coal mines at Newcastle. Coal bins, washery, and coke ovens would involve the expenditure of £106,796, and ore and coke bins, blast furnaces, and auxiliary plant, £215,182. A hot metal mixer and open hearth steel plant would cost £133,172; and mills and

auxiliary plant, £175,934; while Mr. Darby also estimated that the general expenditure would be £57,706; making a total of £899,684. It was thought that the syndicate would be justified in raising sufficient capital to provide for the payment of four months' wages to the hands employed, not only at Newcastle, but on the steamers of the company, and in other directions, which it was estimated would mean an expenditure of £10,000 per week, or a total of £160,000. Then it would be necessary for the company to connect the mine with the port at Burnie by means of a double railway line, and this work, together with the provision of additional wharf accommodation, would mean an expenditure of £50,000, or a grand total of £1,109,684. These figures were not compiled for the purpose of giving information to the Parliament. They are the figures of an expert who was brought out to Australia to advise a syndicate of considerable financial strength as to what was necessary to place these great works on a sound and proper footing.

Mr. JOHNSON.—All the details are given in the report of the Commission.

Mr. CHANTER.—The figures quoted by the honorable member for Kooyong do not bear out the statement that has been made that the industry would not give employment to labour.

Mr. KNOX.—I have no personal interest in the matter, but am submitting these figures to the House on information that has been supplied to me, and with a knowledge of the *bona fides* of the gentlemen concerned. If the estimates are inaccurate, the responsibility rests, not with me, but with those who have furnished them to me.

Mr. JOHNSON.—The Commission had all these figures before them when making their report.

Mr. KNOX.—If they did so much the better. But it is important that the House should have the assurance again and again, if necessary, in order that the character and position of an honorable man may not be mis-called, either here or elsewhere. The statement continues—

I am sure that the above amount is necessary to properly equip and start works capable of producing 150,000 tons of steel and iron products, such as steel rails, sheets, plates, girders, &c.

The promoters reckon that, in connexion with their steamers, the obtaining of coal, and other work consequent upon the pro-

duction of iron and steel, at least 3,000 men would be employed. These are figures which have been given to me by reputable persons, who know what they are speaking about. Honorable members have said that the only men employed will be the thirty or forty men required in connexion with one iron furnace. I admit that the number of men connected with any of these big furnaces is small. If one visits Broken Hill or Mount Lyell to-day, he will see only two or three men at work in attendance on each furnace. But, I ask, how many others are there employed in obtaining materials to feed the furnaces, and in other subsidiary occupations? Although at Broken Hill there are only two or three men in attendance on one of these great furnaces, there are employed, if we take into account those associated with the enterprise at Port Pirie, no fewer than 6,000 men.

Mr. McWILLIAMS.—But what is the difference in the percentage of metal between Broken Hill and the Blythe River ores?

Mr. KNOX.—I do not recognise the pertinence of the question. If it is desirable to give assistance, it is more desirable to give it where the percentage of ore is low than where it is high. The figures which I have put forward are not fancy figures, but have been prepared by men whose reputation is known throughout the mining world of Australia, on the advice of a capable and competent expert, who was brought here to make a proper inquiry into the whole subject. Honorable members will, therefore, see that any statement made by Mr. Jamieson is the statement of an honest man, who is not likely to say what will not be borne out by facts. Although it is stated that one furnace would produce all the iron required in Australia, I would point out that in Great Britain, there are various classes and qualities of iron ore from which are produced different kinds of pig iron, and it is necessary to have several furnaces for the production of the various kinds of iron and steel. No doubt one of the large Pittsburg furnaces produces a very great quantity of iron; but if we establish the iron industry in Australia, it will require several furnaces to produce the various grades of iron that we need. Large sums have already been spent in Australia in exploiting iron. Near Launceston £200,000 was spent in such an enterprise; but it was unsuccessful, because those engaged in the undertaking had not proper guidance and advice. Their ore

contained a material called chromium, and the iron was proved to be too brittle to be of any use.

Mr. McWILLIAMS.—They had one of the best experts obtainable.

Mr. KNOX.—He was a good man, but he made a mistake. I do not hold a brief for the Blythe River Company; but I cannot listen silently to representations affecting the reputation of Mr. Jamieson, who is too honorable a man to make statements which this House may not accept. I was rather staggered to hear it said that there are not sufficient deposits of iron ore in Australia to justify the establishment of the iron industry here. The Blythe River deposits in themselves will be sufficient to supply the requirements of the Commonwealth for many years to come; but every other State as well as Tasmania has large deposits of iron ore. The Broken Hill Company has connected a railway with one of the largest of these deposits—what is known as the Iron Knob deposit—but they are not asking for assistance to work it, because they have other undertakings which are a source of profit to them. If there is any part of the world in which there are excellent deposits of iron ore, it is Australia. In Northern Queensland, and in the northern part of South Australia, the deposits of iron ore are so enormous as to make our potentialities for future work simply unspeakable. Some of this ore is thought to be so good for certain specific purposes that efforts are being made to obtain freights sufficiently low to enable it to be dealt with in some of the great English furnaces. Honorable members are aware that I have consistently expressed my belief in the desirability of establishing ironworks in Australia, though it is impossible, because of the immense capital necessary, to get people to go into the enterprise without assistance. Whether the assistance proposed in the Bill is the right kind of assistance is a subject which I hold myself free to discuss, when we come to consider the details of the measure. We are, however, justified in trying to discover what steps are necessary to enable us to turn our iron ore into a serviceable and useful article. I feel that, in view of the small margin of profit which exists in the production of iron, we shall be justified in seeing how far we can assist this industry, though it will be necessary at the same time to see that we do not thereby seriously interfere with other industries which are already established.

I have repeatedly said that I think a bonus properly applied, and properly safeguarded, would be justified in order to secure the establishment of the iron industry. I entirely disapprove of some of the provisions in the Bill, and will do my utmost to secure their amendment. If I cannot succeed in denuding the Bill of its objectionable features, I shall vote against it on the motion for the third reading. Rather than give any concession to an unsubstantial company, from which no good results could be reasonably expected, it would be better for the Commonwealth, or for one of the States, to embark in the enterprise; but in the first place we should endeavour to secure the establishment of the industry upon sound business lines under private enterprise, and with the assistance of a bonus under conditions which will safeguard the interests of the taxpayers. At the same time, we must take care not to interfere with the great primary industries which it is our desire to encourage in every possible way. It is undoubtedly a reproach to us at present that we have not yet established in our midst an efficient and complete ironworks capable of utilizing the enormous quantities of excellent ore and other necessary materials for ironworks which lie ready to our hands. I urge that the iron industry should be established, not so much on the ground that it would afford employment as for the reason that it is absolutely necessary for our success as a community that we should make good use of our undoubted rich resources, and become self-reliant.

Mr. WILKS.—Does the honorable member think that the granting of the bonus will have the effect of increasing the cost of iron?

Mr. KNOX.—No, I do not think so, because the iron will be produced on such a scale that, with the assistance of the bonus, the company will be able to place it on the market at as cheap a rate as that at which imported iron is now being sold. I say this, with the full knowledge that pig iron can be imported here at very low rates of freight. I feel satisfied that until some State assistance is granted, ironworks cannot be successfully established here, and I regard myself as perfectly justified in voting for the second reading of the Bill in the hope that reasonable representations will induce honorable members sitting on the Ministerial benches to abandon its objectionable features.

Mr. DUGALD THOMSON (North Sydney).—I understand that some implied complaint has been made with regard to the criticism by members of the Opposition of measures brought forward by the Government. I can only say that those measures which are not of a controversial character have received every consideration from members of the Opposition. But if the Government bring forward proposals which run right across the principles of a number of honorable members, and, so far as we can judge, also run counter to their own professed principles, they must expect them to be subjected, not to obstructive, but to clear and full criticism.

Mr. AUSTIN CHAPMAN.—We have no objection to full and clear criticism.

Mr. DUGALD THOMSON.—So far as I know, nothing more has been offered; but I understand that an indication to a different effect was given by the Prime Minister this morning.

Mr. AUSTIN CHAPMAN.—The members of the late Ministry, when they were in office, also gave some similar indication.

Mr. DUGALD THOMSON. — If the pages of *Hansard* are referred to it will be seen that the late Ministry had far greater provocation. I do not propose to occupy time in indicating my previously expressed objections to the principle of bounties. I would only say that, in connexion with this particular industry, it seems absolutely absurd to suppose that a bounty of £250,000 will have any good practical result. If the industry is to be successful, it will develop into one of the largest undertakings in the Commonwealth, and no question of £250,000 will decide matters one way or the other. Any genuine investors will, in the first place, have to satisfy themselves that there is a prospect of carrying on successfully without a bounty, or without even duties, because it is quite uncertain that duties will be retained on iron, seeing that it constitutes the raw material of so many industries. Those who contemplate investing their capital in ironworks will therefore have to satisfy themselves that the industry can stand by itself independently of any such contribution as that now contemplated. They will not be induced by the granting of a bounty to start the industry if they believe that, after the bounty ceases, the industry will not be able to stand against the competition of the world. What has been the experience in other countries? Where the iron industry has been estab-

lished by means of bounties those interested in it have found themselves compelled to go to Parliament again and again and ask for a renewal of the grants, in order to enable them to continue their works. Unless investors anticipate that there will be a renewal of the bounties now proposed, it is unlikely that they will come forward.

Mr. STORRER.—The woollen industry of Tasmania did not require a renewal of the bonus.

Mr. DUGALD THOMSON.—But did not the manufacturers demand the continuance of the duties? If not, their case would be the first of which I have heard in which those interested in an industry established under protective duties have not demanded a continuance of them. I am not alluding to any particular company, but I can quite understand that persons who wished to establish an industry on the market, and did not care whether it was continued in the Commonwealth, might be very gratified to receive a bonus such as is proposed under the Bill. The fact that £250,000 was obtainable from the Commonwealth would be used as a lever in connexion with the floating of shares on the London market, and no doubt it would prove a great inducement to investors who, perhaps, did not know anything about the conditions of the Bill. I look upon this, not as a Bill for the encouragement of industries, but, from the protectionist standpoint, as a Bill for the discouragement of industries. Any legitimate investor in the iron production of Australia who intended to carry on the industry year after year, and to bring it to a successful conclusion, would, if he looked not only to the present, but to the future, for his returns, absolutely refuse to come under any such Bill as this. I say to the protectionists in this House — whose opinions I respect when they are honestly held, as I know they are in many cases, and whose actions I can respect when they are in accordance with their opinions—that, in supporting a measure of this kind, they are absolutely deserting their principles in order to mollify a section of their supporters. What is the first encouragement that is offered to this company? It is that a bond shall be given for the whole of the bounty that may be received, and that that bond shall be forfeited if there be any breach of the stringent conditions of the measure. The slightest breach—a trifling unintentional breach—if the company were in the

hands of an adverse Government, would render them liable to forfeit the whole of the money which they had received. Under such circumstances, they would have to return that money to the Government, even if it amounted to the full £250,000. Surely any man who was handling his own cash would hesitate before undertaking a liability of that description. I do not know whether the Minister in the Chamber can tell me how long the bond is to run, or if it terminates when the bounty expires.

Mr. AUSTIN CHAPMAN.—To which bond does the honorable member refer?

Mr. DUGALD THOMSON.—I am speaking of the bond which has to be given by the owners of the works to the Government for a refund of all the bounty paid if there be any breach of the conditions imposed by the Bill. How long is that bond to run?

Mr. AUSTIN CHAPMAN.—I will give that information later on.

Mr. DUGALD THOMSON.—The Bill does not say how long it is to be operative. It may run for ever, but, on the other hand, it may terminate coincidentally with the period over which the bounty extends.

Mr. AUSTIN CHAPMAN.—It is to be hoped that the industry will run for ever.

Mr. DUGALD THOMSON.—Whether the industry is started at all depends upon the conditions that are inserted in this Bill. The second encouragement offered is that the investor is to be required to pay the wages which may be fixed. If the State were undertaking to pay a considerable sum to the industry, it might be quite reasonable that it should exercise some control over the wages payable. That is another difficulty—a discouragement rather than an encouragement—and for that reason any investor would be acting infinitely more wisely if he entered upon this undertaking with his hands free, and without the aid of any Government bounty. The next encouragement offered is the fixing of selling prices. That is a most extraordinary provision. It is well known to gentlemen who have had anything to do with manufacturing or mercantile pursuits, that under ordinary circumstances a firm cannot fix its own selling prices. Whatever control it may have over its individual industry, it is occasionally compelled by circumstances altogether outside itself, to accept prices which do not pay, and to take advantage of the

market at other times to get larger profits than usual, to make up for the losses which have been incurred during the period that it was selling below cost. How, then, can the President of the Arbitration Court say what are reasonable prices? He cannot follow the various fluctuations of the business. Probably he will not concern himself with the past to the extent of recognising the loss which was made when prices were below cost, and the necessity for fixing a correspondingly high price when that is obtainable. All that he will look at is the relation which the profit bears to the cost of any article. If he thinks that that profit is excessive he will cut it down without any reference to the losses which have been previously made. I am perfectly certain there is not a member of this House who would invest his capital in any industry if he knew that that principle was to be applied to it. Then we have another so-called encouragement, in that the works are to be transferable to a State upon the demand of that State, if they prove successful. If they are unsuccessful, we may be sure that the States will leave the industry in the hands of its owners. If, however, through their enterprise and energy—through the possibility of getting cheap ore and converting it cheaply into metal—a profit can be obtained, then, after all the work has been undertaken by the company carrying on the business a State may step in and say, "We will annex that business, make it our own property, and secure the profits which your skill and enterprise have rendered probable." Now, I ask, is that an encouragement? Yet the Bill is called a "Bill for the Encouragement of Manufactures." It must be remembered, too, that while all the States are to contribute to this bonus, and possibly to a renewal of it, one State can annex the whole industry, should it prove successful. The Commonwealth cannot take it over. It cannot do so under its Constitution. But after all the States may have contributed—over perhaps many years—to the support of the industry, one State can step in and secure all the advantages for itself. The fifth encouragement is that the amount of compensation is to be fixed, as I have already said, by one man—not the most capable individual for that sort of work—and the security that is conferred by the Commonwealth Arbitration Act, which provides that there shall be



assessors sitting with the President of the Arbitration Court, is removed. There are to be no assessors. The President is to act upon his own authority, and what is more extraordinary still, there is to be no appeal from his decision. I cannot conceive how honorable members, who profess to believe in the developing power of bounties, can attach such conditions to any Bill. I notice that a gentleman who has been a strong supporter of the party to which the Postmaster-General belongs in New South Wales, declares that the Bill is absolutely useless—that the protectionists who support it have abandoned their principles. He affirms that latterly they have allowed another party to rule them with a rod of iron.

Mr. AUSTIN CHAPMAN.—Who says that?

Mr. DUGALD THOMSON.—It is the statement of Mr. Forsyth, one of the leading protectionists of New South Wales. He declares that the protectionists have sold all their principles, and are offering not bread, but a stone to the people of Australia.

Mr. AUSTIN CHAPMAN.—That is not Forsyth the protectionist, but Forsyth the Conservative.

Mr. DUGALD THOMSON.—I am speaking of Mr. Forsyth, a leading protectionist of New South Wales, whose support and assistance the Postmaster-General has frequently been glad to receive. That gentleman was president of the Protectionist Association. Another extraordinary encouragement which is offered by the Bill is the fixing every six months—and I believe that the Minister proposes to make the term three months—of wages and prices. In other words, this industry is to be continually before the Court. It is to be before that tribunal at least every six months, and possibly every three months. Not only that, but it will be the only industry in any State of the Union which will be subject to two Arbitration Courts. After the President of the Commonwealth Arbitration Court has settled the wages and the prices which shall be paid, upon his six-monthly reference, the men engaged in the industry, or the masters, whichever it may be—probably it will be the men, owing to the terms of the Bill—may appeal to the State Arbitration Court, and re-open the whole of the wages question. The Commonwealth cannot prevent resort to the local Arbitration Court. The Bill provides that the industry shall

be brought before the Commonwealth Arbitration Court once in six months, if not oftener; and I repeat that after a decision has been given by that tribunal in respect of wages, reference can be made to, say, the New South Wales Arbitration Court—as the smelting portion of the industry is likely to be located in that State, on account of the coal deposits there—to upset the decision of the Commonwealth Arbitration Court.

Mr. AUSTIN CHAPMAN.—There will be no necessity to do that if reasonable wages are paid.

Mr. DUGALD THOMSON.—If the men do not think that the decision of the Commonwealth Arbitration Court is reasonable, they will have a perfect right to appeal to the Arbitration Court in the State in which the industry is being carried on. That impresses me as constituting an extraordinary encouragement. If the Bill passes in its present form, it seems to me absolutely hopeless to expect that capital will be invested in the industry. Any persons who desired legitimately to carry it on, and to make it a permanently profitable industry, would at once say, "Keep your bonus; the restrictions which you impose, the difficulties by which you surround us, do not make it worth our while to embark upon the enterprise." On the other hand, I can understand that a company which was formed really for mining the market—not for mining the ore—would take advantage of the bonus to quote its shares upon the market, where investors would not be fully acquainted with the disabilities imposed by this measure. If the industry be established at all, these conditions must lead to a flotation, that so far from being of advantage to Australia, will be disadvantageous to it. One of our greatest evils here has been—I am sure honorable members will agree with me—the over-capitalization of investments, and especially mining investments. That has been an influence which has retarded many legitimate enterprises, and if we start the iron industry with that serious drawback, I have little hope of its success at this stage in the history of Australia.

Mr. AUSTIN CHAPMAN.—Is there not less chance of over-capitalization if such stringent conditions are imposed?

Mr. DUGALD THOMSON.—As I have already said, these conditions make it impossible for men who wish to work the

industry legitimately to carry on operations. To the men who do not care whether the industry is successful or otherwise so long as they get a good price for the shares which they receive for the flotation of the company, these restrictions do not matter at all. So far as I can see, that is the only respect in which the Bill would encourage investment. We have further to consider that we are lightly asked to commit ourselves to an expenditure of £304,000 in the shape of bounties when, as the Treasurer has pointed out, we are about to feel the pressure of the Braddon clause. Our margin of Customs revenue is being rapidly reduced, and we have other liabilities in front of us, because the Departments still remaining to be taken over are for the most part spending rather than income-earning branches of the Public Service. We have the further knowledge that when the value of the transferred properties has been determined, hundreds of thousands of pounds will have to be provided out of our present margin of revenue to pay interest on those properties. Yet, despite all these facts we are proposing lightly to incur an expenditure of £304,000.

Mr. RONALD.—Not "lightly."

Mr. DUGALD THOMSON.—At all events, the proposition has been submitted without much consideration. The financial aspect of the question has not been dealt with by the Minister in charge of the Bill. The honorable gentleman has not shown the House how the necessary funds for the purposes of the Bill are to be provided, having regard to the increasing liabilities falling upon our restricted share of the Customs revenue. Another provision to which I am strongly opposed is that in which it is actually proposed to make a gift of money to certain individuals. For instance, provision is made in the schedule for bounties amounting to £50,000 for the manufacture of galvanized iron, wire-netting, and iron and steel tubes or pipes. As a matter of fact, these goods are already being produced in large quantities in the Commonwealth. I am informed that the wire-netting industry in New South Wales is so busy that orders cannot be booked, except for at least six months ahead, and that those engaged in it are actually receiving £37 a ton, or nearly twice as much as they at one time accepted for their output. Honorable members from Queensland probably know that

the company in question took about £18 a ton for wire-netting from the Queensland Government.

Mr. PAGE.—That is correct.

Mr. AUSTIN CHAPMAN.—But what was the condition of the industry twelve months ago?

Mr. DUGALD THOMSON.—The honorable member for Maranoa supports my statement. Those engaged in the industry in New South Wales are working night and day, and, as I have said, cannot book orders, except for six months ahead. Yet it is deliberately proposed that those who have actually established this industry without any assistance shall receive a large proportion of the sum of £50,000 to be given away in the shape of bounties. Iron and steel pipes are also being made in considerable quantities in Australia, and yet those engaged in that industry are to have a share of this £50,000.

Mr. G. B. EDWARDS.—Is it not rivetted pipes that we are now making in Australia?

Mr. DUGALD THOMSON.—Hoskins', of Sydney, are making cast as well as rivetted pipes.

Mr. G. B. EDWARDS.—Perhaps they are making pipes other than those for which the bounty is intended.

Mr. DUGALD THOMSON.—I am not sure, but I think I can assure the honorable member that they are making pipes of various sizes. They are supplying the gas company.

Mr. G. B. EDWARDS.—In view of the words, "except rivetted or cast," it seems that the bounty is to be paid only in respect of drawn pipes.

Mr. DUGALD THOMSON.—It may be that the bounty is to be given only in respect of pipes which are not being made here, but if that be so, the class of pipe the manufacture of which we desire to assist should be specified in the Bill. I can positively say, however, that although the wire-netting industry was not very prosperous during the drought it is now working a full board, and at high rates. I fail to see why it should be singled out for special treatment any more than other industries which have been long established in Australia. I have no wish to delay the House. I have confined my remarks to matters with which I have not previously dealt, but should like, in conclusion, to know from the Minister of Trade and Customs, who is now present, what is to be the

currency of the bond to be given under the Bill. Is it to be a perpetual bond, or is its currency to terminate with the bounties?

Sir WILLIAM LYNE.—I think it is to cease with the bounties.

Mr. DUGALD THOMSON.—I informed the Minister a week ago that I should ask this question, as I did not wish to take him by surprise.

Sir WILLIAM LYNE.—That is so, but I have overlooked the matter.

Mr. DUGALD THOMSON.—If the bond is to be a perpetual one, those who invest in the industry will be called upon to undertake an extraordinary liability. If, on the other hand, it is to terminate with the bounties, the parties concerned will then be perfectly free to do whatever they please.

Sir WILLIAM LYNE.—I am afraid that the honorable member will have to give me formal notice of his question.

Mr. DUGALD THOMSON.—I gave the Minister notice, and he should be able to supply us with this information.

Mr. G. B. EDWARDS.—The suggestion is that the bond is to expire with the bounties.

Mr. DUGALD THOMSON.—The Bill does not say so. If it is to expire with the bounties those concerned will then be free to do as they please.

Mr. CONROY.—Supposing a man enters upon the industry, and does all that is required of him for two years, is he to lose all that he has earned during that period if he fails to comply with the conditions in the third year?

Mr. DUGALD THOMSON.—I have already referred to that point. We ought to know what is to be the currency of the bond.

Sir WILLIAM LYNE.—I think it is made clear in clause 9.

Mr. DUGALD THOMSON.—Clause 9 reads—

The person claiming any bounty shall, before receiving the same or the first instalment thereof, give his bond to the Commonwealth in the sum of the aggregate amount of bounty which he may thereafter receive—

I suppose that he is to give a bond for £250,000?

Sir WILLIAM LYNE.—That would be the case if he were going to do the whole work.

Mr. DUGALD THOMSON.—That must be so, otherwise the Minister could not fix upon the amount in respect of which the

bond was to be given. The clause continues—

(hereinafter called the secured amount), conditioned to be void if he fulfils all the following conditions.

Is he to fulfil these conditions for ever, or only during the period over which the bounties are spread? This is a very important question, and it should be answered by the Minister.

Sir WILLIAM LYNE.—I think it is answered by the Bill itself.

Mr. DUGALD THOMSON.—What is the answer?

Sir WILLIAM LYNE.—I shall tell the honorable member when I reply.

Mr. DUGALD THOMSON.—The matter should have been explained by the Minister in introducing the Bill. Will he not say in a few words now what is to be the currency of the bond?

Mr. McCAY.—He does not know.

Mr. DUGALD THOMSON.—I had occasion in connexion with another Bill that was under consideration to point out that we were not in possession of certain information, yet in that case, as in this, the Minister would not supply it. So far as the currency of the bond is concerned, we are in the dark, and I am inclined to think that the Minister is in the same position. It ought to be made clear in the Bill. I hope that the Minister will avail himself of an opportunity to decide what is really meant, and to inform the House accordingly. I cannot conceive that the Bill will encourage legitimate investment in the iron industry. In other words, I do not think it will encourage investment in the enterprise with a desire to carry it through, it may be, years of struggling, to a successful issue. I can only conceive that it will be used, if used at all, as a means of company flotation and over-capitalization on the London market. It will be said, "Here we have £250,000, which will pay 5 per cent. for ten years on £500,000, and investors are therefore safe." All the difficulties and all the restrictions imposed by the Bill will not be placed before likely investors, and they may be induced to start an enterprise which any one desiring to carry it out successfully would absolutely refuse to enter upon.

Mr. G. B. EDWARDS (South Sydney).—I shall be compelled to vote for the second reading of the Bill, for the reason that I told my constituents a considerable time ago that I would support a proposal

to develop the iron industry by the granting of a bonus, in preference to the imposition of protective duties on the production of iron. I have to acknowledge a certain amount of reluctance in making this announcement, because I cannot help feeling that the Bill, as put before the House, is designed to do something more than promote the establishment of the iron industry. I believe that if the Bill had never been introduced the industry would have been established before now. It appears to me that I am placed on the horns of a dilemma. If I refuse to vote for the second reading, and the Bill is rejected, the effect will be to hang up the operations of speculators who are now nibbling at the venture, and they will still hold off, in the hope that some future Parliament will pass a Bonus Bill and assist them to embark upon the enterprise. I think, on the whole, that it would be better for us to agree to the second reading, and deal with the details of the Bill in Committee, rather than to throw it out altogether, and so defer the establishment of the iron industry, probably for some years. I agree with a great deal that the Minister said in introducing the Bill as to the importance of the industry. The Minister hardly made out as strong a case as he might have done, for iron, as Mr. Cobden has said, is the "daily bread" of all other industries. One can hardly conceive of an industry to which that remark will not apply.

Mr. CONROY.—Consequently iron ought to be as free as possible.

Mr. G. B. EDWARDS.—Yes; but there may be circumstances under which free-traders like myself and the honorable and learned member would vote for the granting of a bonus rather than have heavy protective duties imposed. I gather from the reports of experts which have been placed before us that there are, in various parts of Australia, large deposits of iron ore which would pay commercially for working. When the States had each its own Tariff, it was impossible for any State to develop these natural resources; but the position is altered now that the whole market of Australia is open to the iron produced. I was hopeful that under these circumstances something would be done towards the establishment of a local iron industry, and the only reason I can think of for the delay which has taken place in the exploitation of our iron deposits is that the various syndicates, proprietaries, and persons inter-

ested in them are staying their hands in the sure and certain hope that something will be done by the Federal Government to assist them. I have said that I am prepared to encourage the starting of the iron industry by granting a bonus for the production of iron, but I am not prepared to give double assistance by voting also for fiscal protection, because that might have the effect of increasing the price of iron to the consuming industries of Australia to an extent greater than they might be able to bear. Whilst, therefore, I am disposed to support the second reading of the Bill, I intend, in Committee, to co-operate with others in making certain amendments in it, and, without entering into minute details, I will shortly give my reasons for taking that course. But, before doing so, I wish to address myself briefly to the general character of the measure. Although we have had to commend the drafting of most of the measures which have been submitted to us, I do not think that even those who are most favorably disposed to the present Government can commend the draftsmanship of this measure, because it is probably the most slipshod that was ever placed before any Parliament. The honorable member for North Sydney has already referred to two or three matters which have struck me in connexion with the looseness of the provision under which a bond is to be exacted from the claimants of the bounty. As he has pointed out, clause 9 does not say how long that bond shall operate, or when it shall expire; and when the Minister was asked the question he was unable to answer it. Clause 9 also provides that the person claiming any bounty shall pay to his workmen the highest wages paid for similar work, though no similar work is being done in Australia. If it were otherwise, we should not be asked to pass this measure. The clause also provides for the charging of fair prices for the iron that is sold. That is a ridiculous provision if it is not intended to propose high protective duties which would give local manufacturers of iron the opportunity to fix their own prices. If the local manufacturers are subjected to the open competition of the world, that competition will fix fair prices; but if it is the intention of the Government to encourage the iron industry, not only by the granting of a bonus, but also by the imposition of a protective duty, there may be some reason for enacting by legislation the price at which locally-produced iron is to be

sold. Such a provision is, however, a most extraordinary one. The Minister of Trade and Customs is apparently so ill-informed as to the intentions of the Bill that he is not able to answer the simple question asked by the honorable member for North Sydney.

Mr. DUGALD THOMSON.—I gave a week's notice of it.

Mr. G. B. EDWARDS.—Yes, and the honorable gentleman's speech was an important business criticism of the Bill. Yet the Minister is not ready with an answer.

Sir WILLIAM LYNE.—If honorable members will let me reply, I will tell them all that they wish to know.

Mr. G. B. EDWARDS.—The Minister should do what he can to assist the passing of the Bill, and I would remind him that I am a supporter of the measure. He could give us this information in two or three words. Either the bond is to last for an indefinite period, or—and this is the more natural conclusion—it is to terminate when the bounty ceases. But, apart from that, the draftsmanship of the Bill is shaky and prolix.

Sir WILLIAM LYNE.—The honorable member should tell that to the Attorney-General. I never attempt to draft measures.

Mr. G. B. EDWARDS.—I tell the honorable gentleman, as he is in charge of the Bill. Clause 6 says that no bounty shall be paid on certain kinds of iron after certain dates, and the schedule contains a similar provision, set forth in different language. When the Caliph Omar was asked what was to be done with the library at Alexandria, he said that if it contained anything which was not in the Koran it was dangerous, and should be destroyed, and that if it contained anything which was in the Koran it was useless, and should be destroyed. So I say, with regard to clause 6, that if it contains provisions differing in their language from those in the schedule they should be struck out, because otherwise difficulties of interpretation will arise. For instance, clause 6 says that—

No bounty shall be authorized to be paid on—

(a) Pig iron, puddled bar iron, or steel made after the first day of January, One thousand nine hundred and eleven.

While the schedule says—

Pig iron made from Australian ore . . . .  
1st January, 1911.

Under clause 6 the bounty may be paid on pig iron made from imported or from scrap

iron. There are other small differences between clause 6 and the schedule, which may give rise to difficulties of interpretation. If in clause 6 the draftsman had adopted language similar to that of clause 5 these difficulties would have been avoided. Clause 5 provides that—

The total amount of the bounties authorized to be paid in respect of any particular class of goods shall not exceed the amount set out in the third column of the schedule opposite the description of that class of goods.

Those words are very precise, definite, and businesslike, and their meaning cannot be misunderstood. Clause 6 would have been much clearer, and more succinct, if it had provided that—

No bounties shall be authorized to be paid in respect to any particular class of goods made after the date set out in the fourth column of the schedule opposite the description of that class of goods.

Such a provision would have given those who may wish to claim bounties, those who will be called upon to administer the measure, and those who may be called upon to interpret it, a clear, definite, and precise instruction as to the intention of the Legislature. According to the schedule, the total amount of bounty which may be authorized for goods of class 2 is £50,000, and that class is made up of galvanized iron, wire netting, and iron and steel tubes or pipes not more than six inches in internal diameter. The rate of bounty on such goods is 10 per cent. on their value. It might happen, however, that A. might claim the £50,000 on galvanized iron, B. on wire netting, and C. on iron and steel tubes. There is nothing in the Bill to say how in such a case the bounties should be apportioned. Of course, it is apparent that the difficulty can be got over by the introduction of a clause providing that if the claims to the bounty are greater than the total amount provided for the class of goods for which a certain sum is voted, the distribution shall be *pro rata*. Then, again, it is provided that £8 each shall be given for the first 500 reapers and binders manufactured. Free-trader as I am, I look upon the giving of this bounty as, at any rate, a less evil way of stimulating manufacture than is the imposition of protective duties. I should be prepared to support that, and also, as a common-sense business man, to give some little further extension of the period. This Bill cannot become law until about the end of the current year, and those who desired to secure the bonus

would have only six months within which to do so. Unless those who support the Bill have some firm "up their sleeves" open-mouthed and ready to secure the bonus, it must be admitted that this is a ridiculous provision. Six months would be too short a period within which to expect persons with the necessary capital, brains and knowledge to start the manufacture of reapers and binders, and earn the £4,000 which is offered by way of bonus. To this extent, I think the Bill is badly drawn, and that some provision better calculated to stimulate the industry should be inserted in the Bill. So far as galvanized iron is concerned, the manufacturers already enjoy the benefit of fair protection, and the galvanized wire-netting business has been established under conditions of perfect freedom, so far as the Tariff is concerned, and is now being carried on with the greatest success. The company which is operating in Sydney is so inundated with orders that one cannot very well conceive of a more successful enterprise. Therefore, it appears to me to be absurd to propose to make them an absolute gift of a large sum of money. Therefore, when the schedule is under consideration, I shall be glad to co-operate with those who desire to excise that provision. I do not think the honorable member for North Sydney was entirely correct when he spoke upon the subject of the iron pipes provided for in class 2 of the schedule. Although we are making cast and riveted pipes on a very large scale, and the industry is carried on under conditions which are highly creditable to the manufacturers, I take it that the Bill is intended to encourage the production of a class of pipes which is not at present manufactured here. I refer to the smaller kinds of pipes for water, steam, and gas purposes, under six inches in diameter, or what are known as drawn pipes. The Bill is badly drafted, because the definitions are not sufficiently clear; and I think that the intention should be clearly expressed. Turning again to the production of crude iron—puddle and bar iron—I should like to again point to the report of the Bonus Commission, which contains some very valuable information. I think honorable members should carefully study that report before they proceed to vote the large amounts proposed in aid of the iron industry. Mr. Sandford, who has probably the widest experience of any man in our community upon this subject, stated

*Mr. G. R. Edwards.*

most distinctly, not once but twice, and in reply to very definite and specific questions that he could produce pig iron at Lithgow for 35s. per ton. His statement was most definite, because the honorable and learned member for Corinella questioned him as follows:—

I am not quite sure that I understand what you mean when you say that pig iron could be produced at Lithgow at 35s. per ton—is that taking everything into account?

Mr. Sandford's reply was—

I give that as an estimate of the net cost at Lithgow.

That is very definite, and it seems to me that here we have an absolute stumbling-block in the way of any proposal to grant a bonus for the production of iron. If we can produce pig iron in Australia at 35s. per ton, what reason can be advanced for granting a bonus such as that now proposed? I am prepared to admit that I think Mr. Sandford made a mistake. He has corrected that mistake in a certain way, and has communicated his ideas to a reporter of the Sydney *Daily Telegraph*, whose report is published in the *Age* of Monday last. Mr. Sandford said—

A good deal had been made of his statement before the Bonus Commission that pig iron could be made here at 35s. a ton. In giving that figure he had only the net cost in view. He did not reckon interest on capital, about 5s. a ton; depreciation and redemption, equal to about another 5s. a ton; freight to Sydney, which was our local market and the market for the shipping trade, 8s. 6d. a ton, besides other incidentals, which would bring the cost to 61s. a ton.

At the time Mr. Sandford gave evidence before the Commission, he was also communicating his ideas to persons outside, and it seemed to be his idea, in furthering the objects of those interested in the iron trade, to prove that iron could be produced in Australia at a very low cost indeed. Apparently, he afterwards came to the conclusion that he had overleaped himself, and fallen on the other side, and that it was required of him that he should show that others matters had to be taken into consideration before the real cost of iron production could be arrived at. Under Mr. Sandford's new estimate he claims 5s. per ton for interest. I think it is a well-known axiom in political economy that interest in such a case as this would mean profit, because either one of two things must happen. Either the company must go into the business with subscribed capital of the amount necessary upon which no interest would have to be paid, or it must borrow money.

upon which it would have to pay interest. The allowance made for interest must therefore be regarded as profit, or partly profit. Coming back to the report of the Commission, Mr. Sandford stated that he could erect a blast-furnace in New South Wales for £100,000, and that he could produce up to 1,200 tons per week of crude iron. Let us assume, for the sake of argument, that he could produce 1,000 tons per week. An allowance of 5s. per ton for interest would yield £13,000 per annum, and that amount would represent a return of 13 per cent. upon the capital outlay of £100,000. That would be independent of any bonus. I can only say that if those who are engaged in many other industries in Australia could feel assured that they would obtain such a return as 13 per cent., they would be induced to launch out much more extensively than they do at present. Mr. Sandford then makes a most extraordinary claim. He wants to make an allowance of another 5s. per ton for depreciation or redemption. Speaking as one who has had a good deal to do with laying out plants and building factories, I must say that I never heard the word "redemption" used before in this connexion. One can easily see that something more than depreciation is provided for when it is remembered that £13,000 per annum is to be devoted to redemption and depreciation. If Mr. Sandford could legitimately claim these two allowances, each amounting to £13,000 per annum, the company engaged in the work would not only be able to make a very satisfactory profit, but would within a very short space of time entirely redeem the whole of its capital. This would be entirely exclusive of any bonus. Mr. Sandford says that it costs 8s. 6d. per ton to convey pig iron from Lithgow to Sydney, and I will assume that the average cost of conveying the iron from Lithgow to the various central ports of Australia would average, say, 15s. per ton. It must be admitted that, in dealing with large quantities of material, such as would be handled in this case, low rates of freight could be secured. Adding 15s. per ton to the 10s. per ton which Mr. Sandford claims for interest, depreciation, and redemption, we arrive at a total of 25s., in addition to the 35s. per ton which represents the cost of production at Lithgow, or an aggregate of £3 per ton. Mr. Sandford says that iron is being landed in Sydney at present at £3 1s. per ton; other persons quote the average price

as more closely approaching £4 per ton. I think, therefore, honorable members will see that Mr. Sandford's own figures show that we should be very careful before we consent to vote the large sums of money which it is proposed to expend under this Bill by way of bounties. Nobody is more desirous than I am of seeing Australia make use of her vast deposits of iron ore. But we should be careful that we do not pay too much for our whistle. The Government have made no financial provision whatever for the payment of these large bounties. They are plunging into the experiment almost blindfold, and consequently it behoves us to be extremely cautious when we come to deal with the details of the measure in Committee. I shall support the second reading of the Bill, reserving to myself the right, in Committee, to reduce some of the proposed bounties, to eliminate others, and generally to hedge round its provisions in such a way as to afford less chance than now exists for litigation, and to minimize the evils of a measure which has been badly drawn and badly devised.

Debate (on motion by Mr. CONROY) adjourned.

### LIFE ASSURANCE COMPANIES BILL.

Bill returned from the Senate with an amendment.

Motion (by Mr. GROOM) agreed to—

That the message be taken into consideration forthwith.

*In Committee* (Consideration of Senate's message):

Mr. GROOM (Darling Downs—Minister of Home Affairs).—Honorable members will recollect that this Bill was passed by the House last session. It was transmitted to the Senate, where it has been agreed to, with the exception of one amendment, which has been made in clause 6. That clause provides—

1. It shall be an offence under this Act—

- (a) if a life assurance company pays money on any policy taken out after the passing of this Act on the death of a child under ten years of age otherwise than as provided by this Act; or
- (b) if a parent or personal representative of a parent claiming money on the death of a child produces a certificate of the death other than as provided in this Act to the life assurance company from which the money is claimed, or produces a false certificate or one fraudulently obtained or in any way attempts to defeat the provisions of this Act; or

(c) if a policy issued under and by virtue of the provisions of section two shall not set forth that the total sum or sums recoverable on the death of any child as assurance moneys or other benefits from any one or more life assurance companies or friendly societies shall not exceed the amount so specified in the schedule hereto.

2. For every such offence the penalty shall be Five pounds.

The Senate has increased that penalty to £45. I move—

That the amendment be agreed to.

Motion agreed to.

Reported that the Committee had agreed to the Senate's amendment; report adopted.

House adjourned at 4.6 p.m.

## House of Representatives.

Tuesday, 29 August, 1905.

Mr. SPEAKER took the chair at 2.30 p.m., and read prayers.

### ASSENT TO BILLS.

Assent to the following Bills reported:—

Supply Bill No. 2.

Evidence Bill.

Service and Execution of Process Bill 1905.

### PETITIONS.

Mr. R. EDWARDS presented a petition from certain residents of Queensland, praying that stringent legislation be enacted to prohibit the importation and sale of opium within the Commonwealth.

Petition received.

Mr. ROBINSON presented a petition from the Central Council of Employers of Australia, praying the House not to enact the provisions of the Trade Marks Bill relating to union labels.

Petition received and read.

Mr. McDONALD.—I should like to ask you, Mr. Speaker, whether the petition is in order? It appears to me that it contains certain passages which dictate to and threaten this House, and if a petition in such terms is to be received, it may at some future time form a precedent for the presentation of others of a much more objectionable character. Among other things, the petitioners say that if this House adopt a certain course, it will commit an illegal act. I presume that no petitioners have a right

either to dictate to or threaten honorable members.

Mr. SPEAKER.—I have had only the same opportunities as have been afforded to honorable members to acquaint myself with the contents of the petition. I shall go through it carefully, and report to the House later on if I find that it is of such a character that it should not be received.

### ORIENT MAIL SERVICE TO BRISBANE.

Mr. CULPIN.—I desire to ask the Prime Minister a question with regard to the subsidy which the Queensland Government have agreed to pay to the Orient Company in consideration of their extending their service to Brisbane. Will the Prime Minister make provision on the Estimates for the repayment of the amount of the subsidy to the Queensland Government, who have practically been compelled to take steps to secure the extension of the service?

Mr. DEAKIN.—Notice of the honorable member's question must be given if an answer such as it deserves is to be supplied. I am not yet officially aware of the execution of the contract, or its terms, or the sum which the Orient Company is to receive. I am, like the honorable member, dependent upon the newspaper reports, and the information thus afforded is not sufficient to enable one to express an opinion. As the Government of Queensland have entered into this contract for their own purposes, and at their own cost, an application such as that indicated by the honorable member would have to come from them, and if it has been in contemplation to make such a request it would have been better if the Commonwealth had been consulted beforehand.

### SLANDERS ON AUSTRALIA.

Mr. HIGGINS. — I desire to ask the Prime Minister whether his attention has been called to the systematic attempts which are being made by some Australian writers for the London press and others to disparage our Australian legislation, and also whether he has noticed a statement contained in an article published recently in the *Spectator* to the effect that the people of Australia have become ashamed of the Immigration Restriction Act. I wish to know, further, whether he has taken any steps to have proper representations made on the subject.



Mr. DEAKIN.—Unhappily our attention is being continually arrested by statements made in Great Britain, and also in the Commonwealth, which seem to be the outcome of a campaign of calumny against the credit of this country. No one challenges the right of free speech, or objects to the criticisms, of those who take exception to any particular measure of legislation if they offer reasons for their opinions, but I regret that both our legislation and our circumstances are continually being misrepresented, and that grossly, by those who have the best reason for speaking well of this country.

#### MR. O. C. BEALE'S COMMISSION.

Mr. LIDDELL.—I desire to ask the Prime Minister a question with regard to the following paragraph, which appears in this morning's *Age* :—

Inquiries in Europe are to be made on behalf of the Commonwealth Government by Mr. O. C. Beale, chairman of the Australian Chambers of Manufactures, with reference to foreign legislation designed "to check and prevent the sale of deleterious drugs and poisons prepared under secret formulæ," and also with reference to infant mortality in foreign countries. Mr. Beale was a member of the New South Wales Birth Rate Royal Commission, of which Dr. McKellar was chairman. He is proceeding to Europe at his own expense, and will fulfil his commission without cost to the Federal Government and Parliament. The Prime Minister has given Mr. Beale an official letter of introduction.

I should like to know what is the nature of the commission that has been issued to Mr. Beale.

Mr. DEAKIN.—The commission which Mr. Beale has undertaken is exactly set forth in the words which are printed within quotation marks in the paragraph referred to. Mr. Beale is about to visit Great Britain and Europe, and being acquainted with more than one European language, and having learnt, during the time that he was a member of the New South Wales Commission which inquired into the subject of the decrease in the birth rate, that legislation which is said to have proved highly effective, has recently been passed in some European countries, has generously placed his services at the disposal of the Commonwealth in order that he may obtain information with regard to such legislation from the officials charged with its administration. He has undertaken this very useful work without cost to the Commonwealth.

Mr. LIDDELL.—I should like to know what are Mr. Beale's qualifications and whether, in a matter of such importance, it would not have been better to give a commission to a medical man acquainted with the subject?

Mr. DEAKIN.—Questions without notice are being multiplied rather inordinately of late, but the honorable member is entitled to an answer to his question.

Mr. CONROY.—I desire to ask, Mr. Speaker, whether the Prime Minister is in order in saying that questions without notice are becoming multiplied rather inordinately. Is not that statement a reflection on honorable members?

Mr. SPEAKER.—I do not think the Prime Minister has made any remark reflecting upon honorable members.

Mr. CONROY.—Did you, Mr. Speaker, hear the Prime Minister's statement?

Mr. SPEAKER.—I heard the remark of the Prime Minister, to the effect that questions without notice were becoming inordinately multiplied. If the Prime Minister holds that opinion he is quite justified in expressing it.

Mr. DEAKIN.—Mr. Beale served a long apprenticeship under Dr. McKellar with a number of medical men in connexion with the New South Wales Birth Rate Commission, and took a deep interest in the subject. He is further qualified, owing to his acquaintance with one or two Continental languages. Therefore, although not able to give a medical judgment, and not being required to do so, he will be in a position to consult medical experts in Europe as to the efficiency of the legislation which has been passed dealing with the matters referred to.

#### IMMIGRATION RESTRICTION ACT.

Mr. ROBINSON.—I desire to ask the Prime Minister whether he is correctly reported by the press to have said, upon Friday last, that Britishers coming to Australia under contract did not require exemption certificates?

Mr. DEAKIN.—I did not say that they did not require exemption certificates.

Mr. ROBINSON. — The honorable and learned gentleman is reported to have made that statement.

Mr. DEAKIN.—What I was alluding to was this: that exemption certificates are not generally used in connexion with British subjects, and when the Agents-General

in great Britain were authorized to issue those certificates, they were so informed.

### RIFLE CLUBS.

Mr. LEE asked the Minister representing the Minister of Defence, *upon notice*—

1. How many targets are provided for the military and rifle clubs in the Sydney metropolitan district?

2. Is the Minister for Defence aware that the number of riflemen in New South Wales is rapidly increasing?

3. Is the Minister aware that great complaints have been made by riflemen attending the Randwick rifle range that the number of targets required for musketry club competitions and practice shooting cannot be supplied?

4. Has additional ground been resumed adjoining the Randwick rifle range in order to provide more targets?

5. If so, will the Minister give instructions to have the work of erecting targets put in hand at once?

6. Has Brigadier-General Gordon recommended that magazine accommodation be provided at Randwick range for the use of rifle clubs for storage of ammunition, &c.?

Mr. EWING.—The answers to the honorable member's questions are as follow:—

1. Seventy.

2. Yes.

3. Yes, on Saturdays.

4. No.

5. No funds have been provided for erection of additional targets.

6. Yes; but there were no funds to which the expense could be charged. The question of a further vote is now engaging the Minister's consideration.

### ROYAL COMMISSIONS AND SELECT COMMITTEES.

Motion (by Mr. WILKS) agreed to—

That there be prepared and laid on the Table of the House a tabulated statement of all Royal Commissions and Select Committees appointed since the establishment of the Commonwealth Parliament, and showing the cost of the same.

### BUDGET.

*In Committee of Supply:* (Consideration resumed from 22nd August, *vide* page 1240, on motion by Sir JOHN FORREST)—

That the item "President £1,100" be agreed to.

Mr. G. B. EDWARDS (South Sydney).—I exceedingly regret that I am obliged to resume the discussion upon the Budget, in consequence of the indisposition of the right honorable member for Balaclava, who, I am sure, would have made a most valuable contribution to the discussion of the present state of the finances of the

Commonwealth. To me the financial question seems to be more important now than it has ever been in the brief history of the Federation. We are face to face with accumulating problems, the intensity of each one of which is increasing from year to year, and the figures which have been placed before us by the Treasurer, reveal, in all its nakedness, the gravity which some of those questions are assuming. The Committee, I think, can compliment the right honorable gentleman upon the precise manner in which he put those figures before us. The late Treasurer—a gentleman who I am seriously inclined to think ought to be the permanent Treasurer of the Commonwealth—set the very admirable fashion of supplying the Committee with the most complete and tabulated information regarding the affairs of the nation, and all that was in any way connected with our financial existence. The present Treasurer has followed in his footsteps to the extent that he gave the Committee a perfect set of figures, and made a very succinct and clear statement, so that there can be no excuse for anybody failing to understand the position as it is to-day. I think that the position revealed by the Treasurer's figures is one which calls for very grave consideration at the hands of this Committee. Though I compliment the right honorable member for Swan upon the very clear and full manner in which he placed the affairs of the nation before us, I regret that I cannot compliment the Government upon the character of the statement which he made. When we come to carefully re-read that statement, to which we all listened with a great deal of interest, we find that it contains nothing in the nature of light or leading—nothing calculated to assist honorable members to deal with national affairs with that wisdom which their gravity demands. Throughout the Budget speech there was no indication whatever of the policy of the Government. There was no light thrown upon the way in which they regard the facts and figures which were placed before the Committee. There was no intimation of any measures which they propose to submit, either with a view to carrying on the financial work which has been commenced, or of reforming it, or of remedying any abuses which may exist. There was no indication that the work of economy—so necessary in connexion with our finances—is to be carried on—no indication that we are striving to

meet the difficulties that have arisen with the different States in their relation to the Commonwealth, or of the system underlying the increasing expenditure of the Defence Department, or of the attitude which the Government propose to adopt in regard to such great questions as the consolidation of the States' debts. Certainly, these subjects were referred to more or less briefly, and the facts connected with them were placed before the Committee. But these intimations were of that colourless description which affords no light or leading to honorable members. The facts placed before us were very largely such as any honorable member could have ascertained for himself by reference to statistical records. Indeed, to a large extent, it seemed to me that the Treasurer's Budget consisted of *Coghlán* and platitudes. There was very little else in it. Although it was a full and complete statement of facts, it contained nothing beyond the facts set forth by *Coghlán*, and the right honorable gentleman's criticisms of these were the merest platitudes, with one single exception, upon which I must compliment him, because I most sincerely agree with his remarks in that connexion. I refer to what I may be pardoned for calling his "breezy optimism" concerning the affairs of Australia. I sincerely agree with his observations concerning those who decry Australia, and who entertain feelings of despondency regarding the great resources of our Commonwealth. The right honorable member did not at all overstate the case. Indeed, the figures which he laid before us confirm his view. They show that equally with other advanced and progressive portions of the world — our sister communities under British rule—we have nothing whatever to fear in the future. Whilst I agree with the right honorable gentleman that our prospects cannot excite alarm—indeed, that they must provoke nothing but renewed belief in the ultimate destiny of this great community—I regret that we have exhibited nothing like statesmanship in developing our marvellous resources, and in regulating those affairs which are now being carried on by private enterprise, as well as ever they can be. It merely requires wise financial arrangements between the States and the Commonwealth to so lubricate the machinery of Government as to increase our ratio of prosperity, and to justify the highest hopes of those who were instrumental in bringing about

the Federation. I do not see that the Treasurer has put before us anything that will assist in relieving the existing friction, or in removing the precarious nature of the reliance of the States upon the Federal contribution to their revenue. In the first financial debate in this House, I referred very strongly to what I conceived to be the most difficult point in our Federation, and that was the dependency of the States Governments upon the Federal Treasurer for knowing how they would stand. This difficulty, great as it was in the first year, seems to me to have been growing more acute with regard to some of the States. I think that from a gentleman occupying his position we might expect something of a suggestion of how to meet the difficulty, which certainly is in great States, like Queensland, and in smaller States, like Tasmania, creating a feeling that the Federation has not been the success it was expected to be. But we have had no assistance in that respect, and no indication that we are going to make savings wherever we possibly can. We all looked upon the late Treasurer as one whom we could safely expect to cut down expenditure in every direction, and so remove the slightest cause of any charge on the part of the States that we were unduly swelling expenditure instead of cutting it down to that which was absolutely necessary for carrying on the Federal Government. Although the expenditure goes on increasing at a ratio which, I am sorry to say, is far greater than I anticipated, still we have no indication from the present Treasurer that it is going to be kept down. I wish here to refer to a question I put to, I think, at least three Treasurers, and that is as to whether we could not have a Committee of Public Accounts, which would investigate all proposals for expenditure, and after inquiry from officers known to possess the necessary information, make such a report as would guide honorable members. I believe that such a committee would not only effect an economy in the cost of administration, but would save a very large amount of profitless discussion here on a variety of details in the Estimates, as to which honorable members cannot possibly know anything, and as to which we seek, by a round-about, indiscriminate discussion, to get some information. If the House felt that it could depend upon such a body to investigate the Estimates in detail they would be passed much more

rapidly than is now done. If certain items were open to grave exception, the Committee would inquire into them, and in their report would advise the House accordingly, and so facilitate the passage of the Estimates without that useless and prolix discussion which sometimes has taken place over very small items. I trust that the Treasurer, should he remain in office, will seriously consider whether such a committee would not help the Government of the day to get their Estimates put through, and assist the nation by giving a sort of guarantee that the Estimates had been closely scrutinized by gentlemen in a position to discover what was right and what was wrong about them. For, apart from asking questions, a private member of Parliament has no possible chance of discovering the right or the wrong of the various minute propositions which are submitted. A Committee of Public Accounts, however, if it sat during the recess, could assist honorable members to come to a wise conclusion about propositions without the waste of time which must necessarily take place when we proceed in the haphazard fashion we are now obliged to adopt, when a set of Estimates is submitted, and we are asked to pass them, or, what is sometimes worse, we refuse to pass them.

Mr. HIGGINS.—There is a committee of that kind in the House of Commons.

Mr. G. B. EDWARDS.—The House of Commons has had a Committee of Public Accounts for very many years, and from a recent article I was delighted to learn what a very useful institution it has been. It examines, if it thinks fit, the various Under-Secretaries, high military officers, the officers of the Exchequer, and the commissariat officers, and ascertains the reasons which have induced any proposals for additional expenditure, and whether it would not be possible to recommend to the House, and through it to the Ministry, the cutting down of certain items, and so insuring economical working of the machinery of government. I hope that the Treasurer will kindly make a note of my suggestion, and ask the Cabinet to consider whether a Committee of Public Accounts would not greatly assist the House and the Government of the day in regard to the Estimates. "Economy," said the great Gladstone—and I think he took the idea from a very much earlier man—"is a great source of revenue." In this Federation we

cannot commence too early to insist upon the practice of economy. The Treasurer is generally looked upon as one who views everything in "a let it be done well" sort of style; and I quite agree with him. If we have a great work to be done, and we have ascertained what it will cost, and how it can be done, let it be done well, because that is sometimes a means of economy. On the other hand, in the working of the public departments, although an outsider cannot always put his fingers upon the weak spots, there must be great opportunities for economy which should be availed of. Gladstone descended so low as to insist upon the abolition of fly-leaves from the stationery and reports. I forget what estimate was made, but I know that, by taking that course, he saved a considerable sum to the Government of Great Britain. We might follow such a great example, and see whether we cannot, by making such economies, keep down the cost of government. Take the Budget papers, which are placed before us every year by the Treasurer. One can see at once that they serve but a very ephemeral purpose. They are placed before honorable members very largely for the purpose of this discussion alone. We cannot get along without them, but then we find that some are also published in *Hansard* in a more condensed form. As a small matter of economy, I should recommend the Treasurer to get the returns set up in a form in which they could also be used in *Hansard*, and could be much more conveniently consulted from time to time, because the papers in foolscap form are simply duplicate information published in *Hansard*, and pass out of existence in the course of a few weeks. •

Sir JOHN FORREST.—Does the honorable member suggest that the returns should be set in that very small type?

Mr. G. B. EDWARDS.—Yes. We have to consider whether these things are not worth doing. I think that such little savings would amount in the aggregate to something worth the while of any Treasurer to make, and would considerably reduce the cost of the government of the country. During the recess there was a Conference at Hobart of the Commonwealth Ministry and the Premiers of the various States, in order to see whether some of the great questions which were coming on for consideration could not be approached, and some of the

difficulties removed, by a clear understanding between the Commonwealth and the States. I was not altogether in favour of the Conference, although I could not but applaud the right idea underlying it, that some effort should be made to get the States to co-operate with the Commonwealth in such legislation as must necessarily be proposed at no distant date, so as to reduce the friction which sometimes arises when such legislation is proposed, and the States are not consulted. But I do think that the late Government, and the late Prime Minister, who was responsible, carried this idea a great deal too far; and that if the Conference had been completely successful, as it might have been, if all the subjects put down on the syllabus had been dealt with, and determinations had been arrived at, and if such a Conference had been renewed from time to time, we should have seen inaugurated a very unconstitutional practice. Undoubtedly some of the questions referred to the Conference were such that this Parliament, and this Parliament alone, could legislate upon. It is quite in opposition to any of my ideas of the principles of our Constitution, or of any similar constitution upon the British pattern, to establish a consultative body to deal with the large measures with which this Parliament alone has the right to deal. Take such questions as those affecting weights and measures and the coinage, and similar propositions. Under the auspices of the late Ministry such questions were submitted to the Hobart Conference, which was composed of gentlemen who did not find a place in this Parliament, and whatever decisions they might arrive at could not constitutionally bind this Parliament in any way. But it would have been sought to bind this Parliament by reason of the fact that, whatever Ministry was in power, they would have been able to say, "Such and such was the decision arrived at by this great Conference, which represented the people of Australia."

Mr. McLEAN.—The subjects referred to by the honorable member, such as weights and measures, were questions as to which merely an intimation was given to the Premiers of the States at the Conference that the Commonwealth intended to take them over.

Mr. G. B. EDWARDS.—I am aware of the fact that, as the honorable member states, those questions were not reached at the Hobart Conference. But they were

down for consideration, and they might have been reached if the Conference had had time to consider them.

Mr. McLEAN.—The Conference went through every item on the list.

Mr. G. B. EDWARDS.—While I am in favour of removing any possible ground of friction between the States and the Commonwealth, yet I do hope that we shall never constitute an unconstitutional body or tribunal of that kind to take upon itself the responsibility of formulating what measures shall be submitted to the Federal Parliament. That is our own business. It is for the Government of the day, whoever may compose it, to decide upon what measures shall be proposed to us, and for any irregularly constituted and recurrent meeting of States Premiers or States Ministries to consult with the members of the Federal Ministry as to what should be done would be a thoroughly unconstitutional thing, and one likely to give rise to much more friction than arises at the present time. Because it is easy to conceive that, the decisions arrived at by such a Conference not being carried out, would immediately give far greater umbrage to the representatives of the various States than would be the case if the measures proposed to be submitted to the Federal Parliament had never been laid before them at all, and no decisions had ever been arrived at in relation to them. I hope that while any future Government may—as I think it is their duty to do—endeavour to remove any friction between the various States Governments and the Federal Government, the summoning of a Conference to deal with any such measures as this Parliament can exclusively deal with, will never be attempted again. At the Hobart Conference various important questions were dealt with in such a way as to advance them nearer to that point at which some solution of the difficulties they involve might have been proposed to this House. Take such a question as that concerning the States debts, and that of valuing and paying for the States buildings in the transferred departments. The Conference dealt with those matters rather fully; and, although we have since had a change of Government, I did hope that whatever Minister having charge of finance met this Parliament, he would have been ready with some definite proposition. But we have had the Treasurer meeting us with a clear statement of the question and the difficulties surrounding it, giving us the bare facts, relating how the

question was approached in the Conference, and stating the suggestions that were made for dealing with it; but he gave us not the slightest gleam of light, nor did he outline any proposal by which the Government itself proposes to ask this House to solve the difficulty. Now, I will admit that this question presents probably more difficulties than any one who has not considered it can imagine. When we did not know the exact figures, we were all very apt to say that the debts of the various States should be consolidated at the earliest possible moment, and we were ready to say that a considerable saving—amounting to, I believe it was variously estimated, from £300,000 or £400,000 up to £700,000 or £800,000—might be made by such a financial operation. I still believe that a very large saving—possibly in the ultimate as large a saving as the highest of the figures I have mentioned—could be achieved if we could devise some just and equitable means whereby the debts of the States could be taken over by the Commonwealth. But when one looks at the figures surrounding the question the problem assumes the nature almost of a Gordian knot which cannot be unravelled, but which possibly might be cut. And that seems to me to be the only solution at which we shall ever arrive. When we get a Treasurer or a Ministry bold enough to cut this Gordian knot which seemingly cannot be unravelled the question may be settled. It takes a considerable time for one to obtain a grasp of the problem from the figures which have been placed before us by various financial experts. I have worked it out for myself, and it seems to me that my method shows the position more clearly and more quickly than any other presentation of the case that I have seen. Taking first the State of New South Wales, the whole debt, not that which can be taken over by the Federation under the terms of section 105 of the Constitution—but the whole debt as it exists to-day—amounts to £55 per head of the population of that State. The amount of surplus revenue that the Federal Treasurer will return to New South Wales this year would at 4 per cent. interest meet a debt of £51 per head of the population. In the case of New South Wales, there would, therefore, be little difficulty in taking over the debt, considering that what we now return would pay the interest on that debt. When we come to Victoria, the position is not quite so evenly balanced, because the

G. B. Edwards.

debt of that State amounts to £47 per head—I am not bothering with fractions—and it is estimated that what will be returned on the present year's operations, would, at 4 per cent., pay interest on a debt equal to £40 per head. There, again, there is no great variance between the two figures. The amount which has to be returned to Victoria would very nearly pay the interest on the debt, reckoned at 4 per cent.; indeed, it probably would pay the interest on the debt as it exists at the present time. But in the case of Queensland we are confronted with the gravest difficulty. No simple process by which we could take over the debts of the two larger States—that is, larger from the point of view of population—would apply to Queensland, where the debt to-day is equal to £81 per head, and the amount which has to be returned from the Commonwealth Treasury would, reckoned at 4 per cent., pay the interest on a debt of only £35 per head. There is a similar difficulty met in South Australia, where the debt is equal to £77 per head, and the amount to be returned from the Commonwealth Treasury would, at 4 per cent., pay the interest on a debt of only £32 per head. In the case of Western Australia, which the Treasurer represents, the position is altogether reversed. There the debt is £67 per head, and the disproportionate amount of surplus revenue received from the Federal Treasurer would, at 4 per cent., pay interest on a debt of £90 per head. In Tasmania, the debt amounts to £52 per head, and the surplus revenue returned from the Commonwealth would pay 4 per cent. on a debt of only £34 per head. It will be seen, therefore, that the circumstances of Queensland and South Australia practically prohibit any proposition that would be acceptable to the people of New South Wales and Victoria for dealing with the debts on a common basis. A proposal has been made to take over the whole of the debts, and mortgage some of the States properties as a security. But that system, even if it were agreed to—and from my knowledge of human nature it is not likely to be agreed to by some of the States—is one which, in my opinion, would not work out. If we only took over a certain proportion of the debts, we should not get the benefit to be derived from taking over the whole, and there would be the further complication caused by having to collect the revenue.

Sir JOHN FORREST.—The proposition at the Hobart Conference was to take over the whole of the debts.

Mr. G. B. EDWARDS.—That is so, but if we take over the whole of the debts, the question arises as to how we are going to pay. Instead of giving all the surplus revenue, we should, in the case of some of the States, like Queensland and South Australia, require to receive something back. The late Treasurer, with his usual caution—and I like caution on the part of the gentleman who has to look after the finances of the country—stipulated, all through, for absolute, tangible, legal security for the payment of any deficiency. I do not think that the late Treasurer was justified in taking up any such position. The private individuals who at present are the creditors of Queensland and South Australia, do not ask for any such security; they do not seek to step in and collect the railway revenue, or revenue derived from any other source, but simply take the facts as they stand, and depend on an honest British community to meet the interest whenever it falls due. If any way could be found of dealing with the States debts, the Commonwealth Government could very well take up the same position as the private investors and holders of bonds, and simply say, "Without interfering with you in any way, we shall debit you with whatever shortage results from taking over the debts, and we shall use whatever balance is derived from the consolidation, as a sinking fund, to gradually extinguish the debt; and when things improve with us"—and I believe, with many others, that things will improve—"we shall add to the sinking fund, and so gradually reduce the enormous debts which have grown up in Australia." I do not fear those debts, though in some of the States they have grown more rapidly than there was any reason for—we were trying to force the pace. But I believe that the ultimate progress of these States will enable us to bear all those debts, and to gradually reduce if not to extinguish them if we go the proper way to work. But if we go on increasing the debts at the rate we have seen in the past, I think, with other alarmists, that the time will come when our indebtedness will prove a serious trouble. Seeing that we cannot make any proposition that would be acceptable to all the various States, it behoves us to find some way to cut the Gordian knot; and I wish we could

find a financial genius to do it. To my mind there is one way, though I do not know whether we shall find a man brave enough to adopt it. My way would be to authorize the Treasurer to buy up the debts whenever he has opportunity at such market rates as he may deem advisable, acting under the advice of the various officers he may consult—whether the stock be that of New South Wales, Queensland, or any other State. He should buy up at a low price whenever opportunity offers, and constantly issue Commonwealth loans to replace the stock. By such means we should, at any rate, be always steadily moving in the direction of consolidating the debts, and reducing the cost of interest, and, further, always moving in the direction of establishing a sinking fund and gradually extinguishing our indebtedness.

Mr. JOSEPH COOK. — Might the States not demur to that?

Mr. G. B. EDWARDS.—There is nothing that I know of to which the States could demur in a scheme of that kind.

Sir JOHN FORREST.—It would increase the price of the stock, would it not?

Mr. G. B. EDWARDS.—Any reduction which we could bring about in the cost of those loans to the States Governments—any plan which would, in however small a degree, reduce the debts by the creation of a sinking fund—should be acceptable, if not to the States Governments, certainly to the people of the States, and it is the people more than Ministries or Governments in whom I place my faith. I have next to deal with what has been in this House the greatest bone of contention amongst us, namely, the Defence Department. I have been charged with many others, *en masse* if not individually, with having starved and destroyed the defences of this country. My position was that while I was prepared to vote whatever was necessary within our means for the purpose of defending Australia properly and adequately, I was never enlightened as to the measures that were to be taken for such defence—never enlightened as to how the purpose of defending us was to be accomplished. The defence estimates have always been placed before us in such a way that we have had to vote in the dark a lump sum of money, which, in the first instance, amounted to close upon £1,000,000. That amount, however, has been reduced by the Committee from time to time, and, I think, with very excellent results. We, at any

rate, have saved expenditure in the past, and I also think we have saved something by reorganizing on a sounder footing with regard to the future. The items under this head for this year show a growing increase as compared with the items of preceding years. I forget how the Treasurer put them, but putting all the items together, including non-recurring expenses which each Treasurer tries to get out of, but which do recur every year all the same, and therefore cannot properly be called non-recurring expense, I find that for the current year it is proposed to spend £1,022,000 on the defence of Australia. That sum includes expenditure on buildings, ammunition, the ordinary current expenses, and the £200,000 required under the Naval Agreement Act. The latter, I think, covers the best part of our expenditure on defence, and gives us more for our money than any other part of it. I am not disposed to object to the expenditure of £1,000,000 on the defence of Australia if it is necessary, and I suppose it is, but I do think that we ought to have placed before us—and before the session closes I hope we shall have placed before us, by the honorable gentleman representing the Minister of Defence in this House—some definite scheme of defence. We should have some outline of what it is proposed to do, and some scheme which will show at what we are aiming, and the point at which in a few years time we propose to arrive. We require some such definite outline to give us confidence that we have some one in the Ministry who understands what he is doing, and that we shall not depart from a proper scheme to suit the particular military influence exerted at any particular time. I hope that we shall have some scheme put before us to justify the growing expenditure on defence. I have said that the Treasurer failed to give us any intimation of the Government policy. I was in error in making that statement, because the right honorable gentleman, in a bare sort of hint, informed the House that the Government intended to ask Parliament to extend the bounties given for the production of sugar by white labour, for another five years. I think that the right honorable gentleman stated also that as the necessary corollary of that, it is proposed to extend the excise for the same period. This is a very serious question indeed, as it constitutes one of the biggest disturbing elements in our present financial arrangements. I hope that, if we are

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obliged to deal with it in such a way as the Treasurer has suggested, we shall take steps to insure that we shall not have to repeat this process, as has been done in Queensland in regard to other legislation affecting this great question, from period to period. I hope we shall not be asked to extend the time for the payment of the sugar bounties, every now and again for another five years. I am one of those who from the first saw clearly that if one was in favour of that great policy of a White Australia—and however much it may be sneered at, I am still as great an advocate of it as I was at first—we could not carry out that policy in the face of the peculiar circumstances of Queensland, unless we were prepared to pay something for the advantage. I was prepared for one, although it probably affected me personally much more than any other honorable member of this House, to agree to the granting of these bounties. But at the time I felt that this Committee would be asked to extend the period during which they should be paid. I feel now that, even after the proposed extension is agreed to, the Committee will again be asked to extend the period. From the figures placed before us, it is easy to see the disturbing factor which the sugar question is to us in our finances, how greatly it affects the finances of some of the States, and how it affects also the consumers of sugar in the community by reason of the much enhanced price which they are called upon to pay for sugar. If we look abroad, we shall see that this sugar question has been a very troublesome question for the last four or five years in Great Britain itself, in consequence of the operation of the Convention arrived at between Great Britain and France, Germany, Austria, Belgium, and Holland. It was arranged that the bounty which had been paid by the Continental countries should be given up, and Great Britain paid a *quid pro quo* by imposing a countervailing duty on sugar imported from Russia or any other country which continued the payment of bounties for its production. The effect of this arrangement in England has been most marked. It has cost England, for one or two years, at any rate, the sum of from £8,000,000 to £10,000,000. Prior to the Convention, in consequence of the operation of the bounties which were fixed at varying rates, the maximum paid being about £5 a ton, the consumers and manufacturers using sugar in Great Britain were



enabled to get the article as low, I believe, at one time, as £6 per ton. Of course, that was less than the price for which sugar could be produced; but Great Britain got the benefit of that. People were crying out in England and on the Continent against these bounties, and Great Britain entered into the arrangement by which the bounties were abolished. One effect of the abolition of the bounties was that the Continental countries were enabled, by reason of the money thus saved, to relieve internal taxation on sugar to such a degree that the Continental consumption of the article increased to the marvellous extent of nearly 50 per cent. I know of no fact in political economy so marked as this increased consumption of sugar on the Continent, due to the reduction of internal taxation on sugar, as a consequence of the removal of the bounties. I do not recollect any instance in my reading where such a marvellous increase in the consumption of a commodity has taken place. I cannot think that this increase is altogether due to consumption by members of the community. I am inclined to believe that a very large quantity of it must have been due to an increase of manufactures requiring sugar. The effect in England was just as marked in the opposite direction. It is true that in consequence of the removal of the bounty and the interpretation which certain people put on its probable results, there was a slight diminution in the area sown with sugar-beet in Continental countries, and a bad season following the abolition of the bounty resulted in a greatly reduced quantity of sugar being produced on the Continent. As Russia and other sources of supply were shut off from England, the price of sugar rose last year from something like £8 to over £16 per ton. The consumption had gone up 50 per cent. in France, and in England there was a 50 per cent. increase in price. As showing how sensitive taxpayers are to an increase in the price of a commodity, England consumed, in 1901, 87.94 lbs. of sugar per head of population, but in 1902, when the Convention had come into operation, the consumption in that country was reduced to 82.04 lbs., and in 1903 it was still further reduced to 79.69 lbs. per head. The figures for 1904 are not available, but owing to the immense rise in the price of sugar which took place last year, it is certain that the consumption per head of population must have fallen off still further, and in a

greatly accelerated degree. The consumption prior to all this had been steadily increasing for forty years, and I say that as soon as we have all the facts before us, we shall find that the consumption in Australia has fallen off to some extent, if not as greatly as it has fallen off elsewhere. In 1901-2 the consumption was from 105 to 106 lbs. per head of the population, and in 1902-3 it was 102 lbs., showing a decrease, at any rate, of 3 lbs. or 4 lbs. per head of population. This sugar question is one of very great interest to the community. We put on a duty, and we give a bounty for the production of sugar by white labour, and the result is that our consumers of sugar, in consequence of our fiscal legislation, will pay £6 per ton more for it than they would otherwise do, and that, on our consumption, amounts to £1,122,000. That is the amount which the people pay for sugar in excess of what they would pay if sugar were free in Australia. How much does the Government get from that? If, as the result of our fiscal legislation, imposing a tax on a commodity so widely consumed as is sugar, £1,122,000 a year went in to the Treasury, we could easily understand it. The figures which the Treasurer has put before us deal with the production of sugar for the current year. The Treasurer expects to receive £110,000 from Customs duties, and £514,500 from Excise duties, or £624,500 in all; but from that must be deducted—though we are never told of this deduction in the Budget speech; we have to turn over several pages of figures to get information about it—£146,000, which leaves the net revenue £478,500, for which the people of the six States will have to pay £1,122,000. That fact should be sufficient to make us pause to consider whether a time should not be fixed for the termination of the sugar bounty, for which we have been obliged to provide in support of the White Australia policy. I believe that it would be almost impossible to carry out that policy if we suddenly put an end to the bounty system, but, on the other hand, we should examine the broad facts of the case to see if we are not paying too much for our whistle, and to ascertain if there may not be some other way by which assistance could be given to the sugar planters without imposing so heavy a tax on the citizens of the Commonwealth. It is my intention to quote in this connexion some figures from an undated report prepared by

Dr. Maxwell, director of the sugar experiment stations of Queensland, laid on the table, and ordered by the House to be printed, on the 13th August, 1901. He says that the production of sugar in Queensland in 1885 was 55,796 tons, and that there were 10,755 Pacific Islanders in the Colony in that year. In another part of his paper he estimates that white labour costs £1 10s. 11d., and coloured labour costs 14s. 1½d. a week, a difference of 16s. 9½d.; so that if in that year white labour had been substituted for coloured labour the sugar produced would have cost £6 per ton more, a prohibitory cost. The kanakas could not all have been employed in the manufacture of sugar. Some of them must have been employed on other work. Then in 1890 Queensland produced 68,924 tons of sugar, when there were in the country 9,689 kanakas, so that if white labour alone had been employed, the cost of production would have been £5 per ton more, also a prohibitive cost. Just prior to Federation, in 1899, Queensland was producing about 123,289 tons of sugar per annum, and there were then only 8,826 kanakas in the country, so that if white labour had been substituted for black the cost of production would have been only £2 10s. a ton more. The present production of Queensland is still greater, while the number of kanakas in the country has still further diminished, so that the cost of producing sugar there with white labour must now be less than £2 per ton, which is the amount of the bounty. These facts, to my mind, prove that the bounty will not be needed for any lengthy period, because now that the number of kanakas in Queensland has fallen below 8,000, it would be impossible for them to produce half the sugar produced in the State, and the cost of substituting white labour for coloured labour would be less than £2 per ton, taking the whole State. I will mention some other facts which, I think, show that there are still greater reasons why the bounty should not continue for a longer period; but before doing so I wish to read the last paragraph of Dr. Maxwell's report. He says—

It is indicated that invention may be expected to provide mechanical devices for the harvesting of the cane crop and for other work.

When I first addressed myself to this question, I was very hopeful that something would be done in that direction, and I still believe that human ingenuity is such that it must, before very long, find out

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means by which a great deal of the work which is now done by hand, may be done by machines.

Mr. HENRY WILLIS.—A machine has been invented, but the fact will not be made known until the bounty is secure.

Mr. STORRER.—It has not yet been perfected.

Mr. HENRY WILLIS.—Yes, it has. There is such a machine in Melbourne.

Mr. G. B. EDWARDS.—Apparently in this instance, as in connexion with the Manufactures Encouragement Bill, those who are to be benefited by the bounty, have something up their sleeves. Dr. Maxwell continues—

These will further strengthen the current tendency to substitute lower by higher forms of labour, where the conditions of nature permit.

He thought that the tendency had already set in.

This tendency, already very marked, will be accelerated by the settlement of a greater number of white families upon the grain-growing areas, resulting also in a more intense and productive cultivation of the partially exhausted soils. The increment of white settlers upon the sugar-growing lands during the past decade, and the concurrent increase in the volume of sugar produced, with the reduction in the number of islanders employed, demonstrate the present tendency, and indicate that, under the current operation of given natural laws, and particularly in certain latitudes, the Pacific Islander is a relatively declining factor in sugar production in Australia.

Dr. Maxwell, in dealing with this question as far back as 1901, showed that the necessity for employing black labour was diminishing, and that, as a matter of fact, the number of black labourers was falling off, and yet, in the face of these facts, we are asked to renew the arrangement for the payment of the bonus. It behoves us to consider very carefully how far the assistance given to a certain industry will operate adversely to other industries, and, at the same time, overweight the taxpayers for a further period of five years. I alluded just now to the other factors that have played into the hands of the sugar interests during the transition period between the employment of white and black labour in the cane-fields. One of the chief factors has been the abolition of sugar bounties on the Continent, and the large rise in price of sugar in England. I have taken the trouble to ascertain the prices of sugar in bond at Sydney during a series of years, and compare them with the prices of sugar

in London at corresponding periods. In January, 1900, the Sydney price of sugar of a quality corresponding with the Colonial Sugar Company's I.A. brand was £15 15s. per ton. At the same time the London price for granulated sugar was £11 per ton, and for raw sugar £9 3s. per ton. In 1901 the Sydney price was £16 10s., and the London price for granulated sugar, £11 5s., and for raw sugar, £9 5s. In 1902, the Sydney price was £15, and the London price for granulated sugar, £8 15s., and for raw sugar, £6 10s. In 1903, the Sydney price was £14 10s., and the London price for granulated sugar, £9 5s., and for raw sugar, £8. In 1904, the Sydney price was £14 5s., and the London price, for granulated sugar, £10 5s., and for raw sugar, £8 5s. In 1905, the Sydney price was £17, and the London price for granulated sugar, £16 5s., and for raw sugar, £14 9s. There was a great rise in prices at the end of last year in London, owing to the abolition of the European bounties. Honorable members will see that, contrasting the price last January with the price prior to the establishment of Federation, there was a rise of £4 5s. per ton. The sugar interests received the benefit of that increased price. It went somewhere. The price in January, 1900, in Sydney was £15 15s. per ton, and in January, 1905, £17 per ton—that was for sugar equal to the I.A. brand of the Colonial Sugar Company.

Mr. R. EDWARDS. — That was due to Federation.

Mr. G. B. EDWARDS.—No; it was not due to Federation; but was caused by the operation of the stupid arrangement entered into by the British Government, and we are following a similar course. I contend that, as in the case of wheat, the value of sugar will be regulated by the world's price, and while we give protection to the extent of £6 per ton, those who are interested in the sugar business can always be relied upon to obtain for their article a price equal to that at which sugar can be landed here from other parts of the world, plus the amount of the duty. That will always be done, whether the benefit goes to this or that company, or to the planter or the refiner. In addition to considering the taxpayer we have to pay regard to the interests of those who are engaged in a variety of manufactures, in which sugar is one of the raw

materials. We are paying a bonus and affording very heavy protection to those engaged in one industry, and at the same time inflicting a burden on several other industries. We are encouraging one industry and discouraging half-a-dozen others, because sugar is as much a raw material as is iron, for the production of which the Government propose to offer a bonus. What would be thought of the Government if they proposed to give a bonus for the production of iron, and accompanied it with a very heavy duty, such as sugar now pays, and at the same time also asked that an excise duty should be imposed upon iron produced here, in order to provide funds for the payment of the bounty? That is what we are doing in the case of sugar. I suppose that we ought to have done something to bring about a White Australia, but we have certainly involved ourselves in the most mixed up arrangement of evil fiscal finance that could possibly be conceived. I believe in a White Australia as much as any one does; but I think we can pay too much even for such an advantage, and it behoves us to consider what methods can be adopted to mitigate to some extent the heavy taxation that is now imposed upon the public, and the great difficulties placed in the way of manufacturers in other directions, whose combined capital would represent very much larger figures than the total amount invested in the magnificent sugar industry.

Mr. TUDOR.—What would the honorable member suggest?

Mr. G. B. EDWARDS.—I am coming to the only suggestion that I can think of, but we ought to hear still further suggestions from the Government. So far, they have merely intimated that they intend to propose an extension of the bonus period for five years, and to further inflict upon us the excise for a similar period, simultaneously. At an early stage of this question, I said that as surely as God was in Heaven, the Queenslanders would, at the end of the proposed bonus period, come to us and ask for a still further extension.

Mr. PAGE.—Hear, hear; that is the trouble.

Mr. G. B. EDWARDS.—Although it would be pretty hard on me, I would be willing to agree to an extension of the bonus period for a further five years, on the understanding that the bonus would be gradually diminished year by year, and absolutely terminated at the end of the fifth

year. If, however, we are to continue the £2 bonus and the £3 excise for another five years, the position will be unsatisfactory. I believe that the industry will become exceedingly prosperous. I regard it as one of the most magnificent, and one of the safest industries in Australia. If we continue the bonus for a further five years, we shall surely be asked to extend it further, and possibly may have to agree to do so.

Mr. R. EDWARDS.—Give them an extension for another ten years.

Mr. G. B. EDWARDS.—No, that would be far too long a period. We should deal with the bonus as we have done with the Western Australian Special Tariff—an arrangement very similar in character to that for the granting of the sugar bonus. We had to agree to permit the Western Australian Government to continue to tax goods imported from the other States for a period of five years, in order to assist that State to join the Federation, and to minimize, as far as possible, the loss of revenue it would sustain.

Mr. JOHNSON.—In that case the limit was fixed by the Constitution.

Mr. G. B. EDWARDS.—Yes, and we are as competent to fix a limit to the sugar bonus as were the framers of the Constitution to restrict the operation of the Western Australian Special Tariff. When the question of extending the sugar bonus comes before us in detail, I shall ask that matters may be so arranged that the bonus will gradually diminish and absolutely terminate at the end of the five-year period.

Mr. TUDOR.—Would the honorable member be agreeable to increase the amount of protection as the bonus diminished?

Mr. G. B. EDWARDS.—No, that would be absurd; but I should be willing to reduce the excise duty simultaneously with the reduction of the bonus. I think they should both be reduced *pari passu*, and gradually disappear.

Mr. TUDOR.—Then the planter who employed alien labour would be in the best position.

Mr. G. B. EDWARDS.—No, he would not, because we have already provided that the kanakas shall be deported.

Mr. PAGE.—But there is other alien labour employed in the industry.

Mr. G. B. EDWARDS.—I say that when we have a man in our midst—be his skin black, white, or yellow

—we have no right by legislation to prevent him from earning a livelihood. With many others, I regret that these persons have been allowed to enter Australia. But now that they are here, it is inhuman to prevent them from earning their livelihood in their own way. Let the planters compete for the labour of such coloured men—other than kanakas—as remain amongst us. As soon as their numbers become a little smaller, that competition will bring the wages of the coloured men up to such a point that there will not exist the conflict between coloured and white labour which at present obtains.

Mr. PAGE.—That is a rosy picture to paint.

Mr. G. B. EDWARDS.—At any rate, I can appeal to the honorable member's heart in connexion with this matter. I maintain that we have no right to prevent these persons from earning a livelihood. I admit that it was a mistake to allow them to come here. If we had had Federation fifty years ago—as we ought to have had—they would not have been permitted to enter Australia. On the other hand, the kanakas came under an arrangement by which, at the expiration of a certain term, they were to be deported to their homes. We can carry out that arrangement, but we have no right to place any embargo upon the employment of the members of other coloured races who are already in Australia. In view of the paucity of their numbers, and the competition which will ensue between the planters for their services, the wages of the blacks will increase to a point at which they will not interfere with the standard of comfort enjoyed by our white population.

Mr. PAGE.—Would the honorable member agree to pay them the same wages as are paid to white men for doing the same work?

Mr. G. B. EDWARDS.—I would not object to doing so. The labourer is worthy of his hire. If the black man can earn as much as the white man he ought to receive the same wages. I wish now to refer briefly to New Guinea. I sincerely sympathize with the Treasurer in his references to this white elephant. I say that it is a disgrace to any Ministry to permit the present state of affairs in regard to that Possession to continue. To vote a paltry pittance of £20,000 annually to maintain a small staff of white officials there—men who are producing no result whatever, is a miserable

subterfuge for statesmanship. We should either produce something from New Guinea, and make the Territory play an important part in the British Empire, or we should relinquish our hold upon it. If we cannot do better than we have been doing, I am in favour of petitioning the Imperial Government to take it off our hands. I am informed by those who have recently visited the Possession, that its capabilities are immense. Now that such a great stir has been made in Imperial circles in the direction of extending the cotton-growing area, perhaps something might be done jointly with the Imperial authorities to facilitate the cultivation of cotton and other tropical products in this new settlement. Certainly we ought not to continue paying £20,000 yearly to obtain the meagre official reports which have hitherto been furnished. Contrasted with what the French and Germans are accomplishing in their colonies, with what the Dutch, or what the British are doing in Sarawak, and with the operations of the North Borneo Company, which is developing similar territory at a very rapid rate, and making it a national asset for the race, our efforts have been poor indeed. New Guinea ought to become a national asset for the race. If we cannot accomplish more than we have hitherto achieved with it, it will be better for us to petition the Home Government to take it off our hands. Thus far I have omitted to deal with the question of preferential trade. Now that the honorable and learned member for Ballarat is Prime Minister, one would have thought that we should have had some intimation as to whether the Government intended to do anything in the direction of facilitating preferential trade with the Empire. But no announcement in that direction has been forthcoming. I do not mean to say that I am ready to jump at Chamberlainism, but I am prepared to consider proposals of an Imperial nature in regard to a reciprocal arrangement in connexion with our taxation. I am willing to consider any proposal by which we can extend a preference to the old country, and not only to the old country, but to our kin in other lands. I should not object if a proposal were submitted to go further, by taking in the great American Union. Indeed, I should like to include the whole of our race in any reciprocal agreement of the kind. But because we cannot take the initiative in this movement, I cannot see why we should re-

fuse to take advantage of what has been offered to us by sister dependencies in various parts of the world. Some years ago, when New South Wales was a free-trade State, I know that it enjoyed reciprocal trading facilities with Canada, because owing to the fact that the New South Wales Tariff did not tax Canadian products above a certain amount, the Dominion Government allowed the products of New South Wales to enter Canada at a lower rate than was levied upon those from other parts of the world. That privilege enabled New South Wales to do a very comfortable trade in some small lines. The same principle still operates in Canada. That country offers to admit Commonwealth products at a lower rate than is charged upon foreign products, if we only choose to take advantage of it. Recently we have heard a good deal in reference to the New Hebrides. Only the other day we agreed almost unanimously that it was necessary to do something to draw closer the connexion between the New Hebrides and the Commonwealth. The honorable member for Lang suggested that to accomplish our purpose we could not do better than enter into a fiscal arrangement under which the produce of those islands would be allowed to enter the Commonwealth as freely as they are permitted to enter French possessions further afield. If the Prime Minister sympathises with the motion submitted, our relationship with the New Hebrides could be drawn closer in that way. Communities respond to nothing more quickly than to facilities for trading between them. The Government might have made some proposal of that character. But the greatest charge which I have to make against preferential traders — irrespective of whether they are members of the present Government or of any other Ministry — has reference to the offer which has been made to us, in common with the rest of the Empire, by the colonies of South Africa. A report was recently prepared by an emissary appointed by the late Government in the person of Mr. H. J. Scott, having reference to the trade of South Africa. That report furnishes very valuable and interesting reading. I drew attention to this subject upon 9th October, 1903, when I asked the present Prime Minister—

Whether the Government would, during the recess, obtain full particulars and returns of interchange between the Commonwealth and the South African colonies, and consider the desirableness

of entering into reciprocal Customs arrangements with those colonies without awaiting the development of any larger proposal for preferential trade within the Empire.

The honorable and learned gentleman, with that soft answer which turneth away wrath, said, in reply—

Yes, with pleasure; it is a very necessary step.

The Government, of which the present Prime Minister was the head, then went into recess, and was subsequently turned out of office. Now, however, he has returned to office, and I say that if he still entertains that opinion—if he is still a preferential trader—and if we are compelled to wait for the initiative to be taken by Great Britain, we have not to wait for South Africa. That country is willing to give us a preference, and I would like to quote the following paragraph from Mr. Scott's valuable report—

Under the Customs Union, which came into force on the 15th August, 1903, intercolonial free-trade between the British Possessions in South Africa became law, and by removing every Customs barrier facilitated the free interchange of commodities of the parties to the Union, and was the first important step to a future federation of South Africa.

This Convention also introduced the principle of preferential trade with Great Britain, by which it is hoped the first link in the chain of closer union has been forged. To this end a rebate of 25 per cent. of any duty levied *ad valorem* on goods and articles the growth, produce, or manufacture of the United Kingdom imported into the Union was granted. Certain goods were also placed in a special class, on which a duty of 2½ per cent. extra is levied if of foreign manufacture, and which are admitted duty free if of British origin.

Provision was also made to extend the preferential rate to any British Colony granting reciprocal privileges to the members of the South African Customs Union, and I would respectfully suggest for your consideration that it would be of advantage to Australia to join in this system of reciprocity. We have everything to gain by doing so, and it will enable our producers to compete with greater advantage over the Argentine, a country at present pouring into Africa supplies of frozen meat, butter, and grain.

In another paragraph he says—

Canada has already entered the Preferential Union, and a line of steamers direct to South African ports is conveying her produce there. One item is worth mentioning; it is that of frozen pork, which is admitted free. Canada sends £60,000 worth yearly, and a company has been formed in Capetown to smoke and cure the carcase, and then sell it as bacon and ham, which, under the Tariff, is liable to a duty of one penny per pound.

Mr. SKENE.—What report is the honorable member quoting from?

Mr. G. B. Edwards.

Mr. G. B. EDWARDS.—From a report by Mr. H. J. Scott, of South Australia, who apparently was appointed by the late Government to report on our trading relations with the South African Colonies. Not only does he express the strong views I have just quoted, but he gives figures which bear out my contention that we have everything to gain from reciprocity. Here is an arrangement offered to us, under which we, the exporters of enormous quantities of produce to South Africa, have everything to gain, and we, the importers of very few commodities therefrom, have nothing to lose. Yet we have in office a Government who, with these papers in their pigeon-holes, either do not bother to look at them, or, if they do, take no advantage of the opportunity thus offered to vastly increase the trade and commerce of this country with a sister community.

Mr. WEBSTER.—Will the honorable member's party support the views he is putting forward?

Mr. G. B. EDWARDS.—I do not know that the honorable member allowed my party an opportunity of doing much.

Mr. WEBSTER.—What I wish to know is whether the honorable member is speaking on behalf of his party or not.

Mr. G. B. EDWARDS.—Unlike the honorable member, I never speak on behalf of my party. It is sufficient for me to speak here for myself, or, at any rate, from a non-party point of view, as I shall always do in future. I do not believe in party, but I do believe in doing something to facilitate the trade of Australia. In this report on trade between Australia and South Africa we have a practical suggestion made by a competent officer, who was sent abroad to ascertain how we could extend and improve the relations between the Commonwealth and sister communities. This is in accord with principles which have been warmly advocated here by the Prime Minister. Instead of waiting for something to be done in the dim and distant future, why should we not take advantage of an opportunity of this kind to enter into a reciprocal arrangement, which, if it be found to work well, may be further developed? I wish now to refer to a small matter which is rather dear to my heart, and on which I fear I have taxed the patience of honorable members. On two occasions the House has approved of a report from a Select Committee in favour of the adoption of a decimal system of

coinage, and getting the advantage of the profit which would be obtained from the Commonwealth coining its own silver. I have not yet been able to induce any Government to practically take up the subject. I have had an interchange of views with some Ministers. The difficulty presented to their mind was, "How are you to get rid of the existing system of coins; how are you to deport them, so to speak?" My suggestion was a common-sense one, I think. It was that we should arrange with the banks to collect the current silver, and export it to their agents in other British communities where such coinage was used, and then supply the banks with a corresponding amount of coinage issued by the Commonwealth mints. That plan seemed to me to be quite rational. But these honorable gentlemen said, "You would not get the banks to do that." When I applied to the banks I was addressed in this way: "Of course, Mr. Edwards, the banks will do anything if they are paid." I asked a banker what would be considered a fair rate of pay for doing this business, and he said, "It would be very small indeed. It would amount to only the interest on the money while we were out of its use, a certain amount for insurance, and a trifle for the clerical trouble." This did not have any effect upon any Ministry, and, therefore, I appeal to the present progressive Treasurer, and ask him whether he, with his great belief in Australia, with his optimism, which I share with him, will not carry out the twice-expressed wish of the House, and so earn an annual profit of £30,000 a year for the Treasury. Canada is doing this very thing now; it has solved the difficulty just in the way I suggested to the late Ministers it might be solved for the Commonwealth. On the 4th July, the Dominion Treasurer delivered his Budget. According to a short telegram in *The Times*, he referred to the question of entering into a reciprocal arrangement with South Africa, and then proceeded to say—

It has been decided to get rid of American silver currency from Canada.

While Australia is circulating British money, Canada is circulating the money of the United States—

An arrangement had been made with the banks to give them a commission of  $\frac{1}{2}$  per cent. for collecting it. The result would be a profit on the increased circulation of Canadian silver.

I ask the present Government whether they cannot follow the example of Canada in this regard. I have demonstrated, I think fairly well, that there is a considerable profit—amounting to £30,000 a year—to be made out of substituting our own silver coinage for that of the old country. Canada is making a similar substitution, only that she is sending the coins to the United States, whereas we should have to send the coins to other British Possessions in which they are used.

Sir JOHN FORREST.—Should we not lose a good deal by having to replace the worn gold, which is now replaced for us by the British Mints?

Mr. G. B. EDWARDS.—Yes, but I think we should overcome that obstacle. We ought to restore that portion of gold which we have in currency, and which amounts, at the outside, to nineteen or twenty million pounds. But our cost of restoring that for the future would not amount to a very great deal. According to my calculation, it would amount to a little over £4,000 per annum. That would reduce my estimated saving by £4,000, and still leave the Treasury with a profit of £25,000 or £26,000. I am not aiming so much at the profit as at the introduction of a better system. If it would please the Government of the day to increase the subsidy to the Auxiliary Squadron by the amount of the profit from the coinage of our silver, I should be perfectly prepared to vote in that direction. I must apologize for having occupied more time than I intended, in discussing many questions which are suggested by the Budget, and which require to be very closely scrutinized, so that we may arrive at a wise determination—one which, I hope, will forward the interests of the Commonwealth as well as of the States.

Mr. GLYNN (Angas).—The honorable member for South Sydney need not have apologised to the Committee for having taken up its time, because he has contributed some valuable information for the consideration of honorable members on one or two matters to which I intend to make some, I hope, short references. I am glad that the honorable member drew attention to the report of Mr. H. J. Scott, of Adelaide, because it was at my suggestion that the report was printed, as containing some very valuable information as to Australian trade with South Africa, showing to what extent it was possible to

increase our exports to South African markets. I cannot, however, agree with the honorable member in one of the deductions which he sought to draw, in common with Mr. Scott, however valuable his report may be—that an extension of British trade with South Africa has resulted from the preference granted in the *ad valorem* rates to British goods. As a matter of fact, the preference is only  $2\frac{1}{2}$  per cent., being 25 per cent. on a 10 per cent. *ad valorem* rate. It is only on a 10 per cent. *ad valorem* rate, and there is no preference on fixed duties, which are important. As a matter of fact, although we hear of the value of preferences, when we subject the actual conditions of the trade to close analysis, we find that they cannot possibly have led to that extension of trade with South Africa, which, indeed, is to be attributed to the large imports which always follow war in any country, no matter whether the fixed policy of that country be protectionist or free-trade. There were tremendous imports to America for many years after the American war stopped; and, similarly, although the sphere of the war in South Africa was comparatively small, and although the trade with South Africa is comparatively not great, there has been an extension of imports since the war ceased. I do not know that it has been kept up recently, but there was an extension of trade some time ago. The honorable member also referred to the Canadian experience of preferential trade. I am afraid that the success of the policy is not so clear in Canada as he seems to think. Some of the provincial Legislatures have carried resolutions in favour of Mr. Chamberlain's policy, but when amendments were proposed to be added to those resolutions showing that the method of expressing sympathy with Mr. Chamberlain's proposals should be by lowering the duty on British imports without increasing the duties against the foreigner, and when these amendments were in favour of the reduction of duties they were ignominiously rejected.

MR. HIGGINS.—Has the honorable and learned member read Mr. Foster Fraser's book on Canada?

MR. GLYNN.—I have not read the book to which the honorable member refers me. I have extracts from the original records here. I read an extract published in the *Times* from a resolution passed, for instance, in the Manitoba Parliament, where by, I think, twenty votes

to nine, they rejected a proposal for lower duties in favour of England, unless accompanied by a higher Tariff, so that no injurious effects—from their point of view—might possibly follow from concessions made to England. And though the Canadian rebate, which was 25 per cent. in 1899, became about 33.1-3 per cent. in 1900, yet, if we compare the trade between Great Britain and Canada from 1899 to 1903 we shall find that the imports have not been very much stimulated by this reduction of duties in favour of Great Britain. While in 1899 the dutiable goods imported from the United Kingdom were \$27,000,000 in value, in 1903 they were \$42,000,000 in value. At the same time, in the case of the United States, the dutiable goods—the same class of goods—the value of the imports to Canada ran up without any preference from \$44,000,000 to \$68,000,000. So that we should be just as likely to be right in concluding that the absence of preference had benefited the imports from the United States, as to conclude that the preference granted by Canada had benefited the imports from Great Britain. Besides, there had been a corresponding increase in the imports of free goods from Great Britain to Canada. So that it is rather dangerous to postulate general statements as to the success of Chamberlainism, because on a close analysis of the figures they are liable to be upset. If we are to judge from what has been said in Canada, and from what has been said here—even, I think, in one of the speeches of the Prime Minister on the hustings—that there must be some sort of reciprocity, we must conclude that there is not much chance of it. While our exportation of frozen meat and wheat to England is a very small proportion of the total imports into Great Britain, it is idle to expect that she will put an embargo upon her own food supplies. Significant figures which have been published ought to be conclusive upon this point. I find that in 1904 Argentina sent to England fresh meat to the extent of 155,000 tons; the United States, 120,000 tons; New Zealand, 90,000 tons; the Continent of Europe, 15,500 tons; and Australia only 13,000 tons. If we take frozen and chilled beef, we find that the United States sent to England 55 per cent. of the total imported, Argentina 40 per cent., and so on, until we come down to all the other countries aggregated at 5 per cent. Take wheat.



British India sent to Great Britain nearly 6,000,000 quarters; and we go right down the scale until we come to Australia, 2,400,000 quarters, and Canada, 1,450,000 quarters. It only requires an examination of the imports into Great Britain to see how little likelihood there is of the reciprocity upon which some of our preferentialists are basing their policy being recognised by the mother country. The Treasurer referred in his speech to the question of the States debts and the transferred properties. I again express my agreement with the suggestion of the Treasurer that perhaps the proper way to deal with these transferred properties is to pay simply differences. We really are a partnership. The States will have to pay for these properties per head of their population. I think that the proportion that South Australia would have to pay would be about £1,000,000—about one-tenth of the total of the rough estimate laid before the Convention, which was between £10,000,000 and £11,000,000, as the value of the properties to be taken over. The valuation of the South Australian properties then given was about £1,666,000, so that that State would have a surplus to be credited to her by the Federation. That is a much better way of dealing with the matter than paying for properties which belong to the people of Australia. All the States, like partners, are handing over something, and it seems to me folly to credit each State with the total value of the properties handed over, when the States have to pay for them per head of the population, unless under section 93 of the Constitution the basis of payment be altered. I do not want to elaborate the matter, because I do not think there is much chance of that suggestion being accepted. As regards the debts, even in that way a possible solution of the question on the line suggested for the transferred properties may be found. I made the suggestion once before, and I know there are some difficulties in the way of its adoption, but some modification of the Canadian principle may be applied. In Canada, in 1867, when Federation took place, the average debts were estimated at about \$25 per head of the population. Some of the States, of course, did not owe so much; Nova Scotia and New Brunswick owing about \$22 per head. What was done was to capitalize the difference, and to credit those States who were under the average with that amount in the books

of the Federation; and on the amount 5 per cent. is now being paid.

Mr. HIGGINS.—The Constitution would have to be altered in order to do that.

Mr. GLYNN.—No doubt, that is the fault. I brought this matter before the Federal Convention, and, in fact, tabled a motion, which, however, received scarcely any attention. Whether that motion was defeated on its merits, I shall not say.

Sir JOHN FORREST.—In Canada power to take that action was provided in the Constitution.

Mr. GLYNN.—And I made an endeavour at the Convention to have a similar provision made in the Australian Constitution. I then also pointed out that we might make a great mistake in providing for taking over only those debts which existed at the establishment of the Commonwealth. The Treasurer has mentioned that we shall have to amend the Constitution if we wish to take over States debts which have been incurred since 1901; and I find, on looking at the official report of the Federal Convention, that I pressed the following on the Committee, somewhat reluctant to give it attention:—

If you are to limit the debts to be taken over hereafter to the existing debts of the Commonwealth, you may subsequently find yourself in this position: That you will be unable to take over any new debts incurred by the States; or to take over debts, the character of which has been varied.

It is doubtful whether even the debts which have been converted since Federation may be constitutionally taken over; probably they may, and I merely say that the matter is doubtful. However, these are big matters to which one can make only passing reference. The Treasurer has given us some big figures in regard to the position of Australia, and those may strengthen the reputation of Australia in the English market, if we can only get people to study them. What we really want, I think, is something to reassure the States that we are not quite so extravagant as they think us. There are still statements made on platforms in the States, from which the public infer that the Commonwealth is particularly and exceptionally extravagant. We have done some foolish things, perhaps, in the way of policy, though there may be a difference of opinion on that point. But I do not think we are quite so extravagant as some States politicians seem to imagine. At any rate, we established a good precedent for the States

in rejecting the Loan Bill of £571,000 two or three years ago, and throwing the expenditure on the revenue; and this, doubtless, to some extent, accounts for the increased expenditure. For twenty years prior to Federation, the States had been recklessly borrowing.

Sir JOHN FORREST.—The States have since borrowed some £30,000,000.

Mr. GLYNN.—We have reduced the expenditure on defence. I am not quite sure, but I think that four years prior to Federation, the total expenditure on military defence was about £522,000, including the contribution of £95,000 per annum to the Imperial Navy. The amount was increased by about £400,000 by the time the Defence Department was taken over in March, 1901—increased not by the Commonwealth, but by the States, though the increase appears in the accounts for the Federation for 1901. We then proceeded to deal with Defence Estimates by reducing them by £131,000, and, subsequently, by other amounts which I forget.

Sir JOHN FORREST.—By about £200,000 altogether.

Mr. GLYNN.—This ought to stand to the credit of the Commonwealth. If I remember rightly, the expenditure had gone up to over £800,000 on 31st March, 1901, when the Departments were taken over.

Mr. McCAY.—There is now very little real difference between the expenditure by the States and the expenditure by the Commonwealth on defences, after allowing for the different modes of expenditure.

Mr. GLYNN.—Perhaps the honorable and learned member may be able to point that out when he addresses the Committee.

Mr. McCAY.—I have the figures.

Mr. GLYNN.—The figures I have quoted from memory stand in the Audit Commissioner's report, and they are significant. At any rate, we began by reducing the expenditure, and that reduction ought to stand to the credit of the Commonwealth. There is another matter to which it is just as well that public attention should be drawn. The Treasurer has shown us that new expenditure last year, caused by Federation, amounted to £312,000; and it would be easy enough to mislead the public by telling them that Federation has swollen the "other," or non-transferred, expenditure by £795,000 in addition. There is "other" expenditure, for part of which, no doubt, we are to be blamed, as I shall endeavour to show in a moment when referring to sugar duties. For

some of that expenditure, however, we certainly are not to blame; because, as I say, we ought to receive credit for throwing on to revenue expenditure which formerly was attached to loan account. When those matters are taken into account, there does not seem, except in connexion with the sugar duties, to have been any errors of financial policy—I am giving only my own opinion—on the part of the Commonwealth. If I may refer to my own State of South Australia, the position would seem to be that her share in the new expenditure is £27,669, and of "other," £74,383. The latter is, to a great extent, as I have said, due to our debiting to revenue expenditure formerly debited to loan account; it is also due to South Australia's share of the losses on the sugar duties, which up to this year have been comparatively light, and is further due, in a very small amount, to expenditure in New Guinea. The greater proportion is due to the revenue having to bear expenditure which was formerly met with loan moneys. As regards revenue, it is pleasant to find that the Postal Department, which previously paid well in South Australia, is again displaying elasticity, even under lower rates. I always held that South Australia could not expect to maintain the policy which formerly gave that State such a high revenue from the Post and Telegraph Department. I remember that the Federal Convention had a return presented, showing that in 1896, while Victoria received a revenue of £91,000 from telegrams, South Australia received £89,000, although the population of the former State was two and a half times as great. The comparison would be equally significant if made between South Australia and New South Wales. South Australia was wedged in between other States, and charged 2s. on Inter-State telegrams, instead of the rate of 1s., which prevailed in New South Wales and Victoria. That policy, of course, could not be kept up; and when under Federation a reduction was made even to a greater extent than 1s., because there was an internal reduction, there was a corresponding shrinkage for a short time in the revenue. It is pleasant, however, to find that the Treasurer estimates next year to receive from post and telegraphs a revenue of £276,000 as compared with £277,000 received in the year 1901-2. As business increases an equal buoyancy will, I think, be perceptible in subsequent years, as compared with the revenue anticipated for the current year. I notice on page 3 of

the Budget papers a sum of £35,300 declared to have been received for work done for the Savings Banks, of which amount South Australia contributed £4,000. I appeal to the Treasurer whether it is fair to retain this money at the expense of the salaries of a great many of the officers. In South Australia, several officers were getting fixed salaries under the Civil Service Act of 1874. They were also allowed the amounts paid by the Savings Bank to the Postal Department for doing Savings Bank business. There were other allowances, but I do not intend to refer to them. The State Government told the officers that the status they got by the total of these payments was the status to which they were truly entitled under the Civil Service Act, and not the status represented merely by the salary fixed by that Act. The Savings Bank allowance was therefore regarded, as virtually, though not technically, part of their salaries. The result is that several officers are now, when the Savings Bank allowance is taken from them, practically reduced to the grade of the salary only. There are men who, to my knowledge, in some cases are working from 6.15 a.m. to 9.45 p.m.—they work intermittently, but they are at work during those hours all the same, because they cannot go twenty yards away from the Post-office without finding a substitute, as they are liable to be called on for duty at any time between those hours.

Mr. KING O'MALLEY.—That is sweating.

Mr. GLYNN.—It is sweating. I speak now with positive knowledge, and it seems to me that it is undoubtedly sweating. Under the new arrangement, these men will lose in some cases as much as £50 a year.

Sir JOHN FORREST.—That system was exceptional, I believe, in South Australia.

Mr. GLYNN.—Oh no! the right honorable gentleman's figures show that it was not.

Sir JOHN FORREST.—On what page is the matter dealt with?

Mr. GLYNN.—On page 3 of the Budget papers. Of course, I do not know what the local law was in New South Wales.

Sir JOHN FORREST.—I know that in Western Australia they never got anything extra for doing that work. It was a part of their duty, and I thought the same system was followed in all the States.

Mr. GLYNN.—These allowances have been regarded in South Australia as part

of the salaries of these officers, although, under the Civil Service Act, they do not appear as part of their salaries. My point is that it is grossly unfair to these officers that owing to the arrangements made by the Federal Government, they should lose these allowances, when they were told before the Commonwealth Bill was adopted that such things would come under the term of "accrued or accruing rights." I ask the Treasurer to look into this matter, and see whether he cannot, at small expense, recognise what it was fairly anticipated might be comprised within the term "accrued or accruing rights." The right honorable gentleman must admit that these allowances have to be made in all cases of transition, even though we wish to reform the Department. When Western Australia came into the Federation, she asked for and obtained exceptional terms, although she got them under false pretences.

Sir JOHN FORREST.—Under what?

Mr. GLYNN.—Under false pretences.

Sir JOHN FORREST.—The honorable and learned member does not mean that?

Mr. GLYNN.—The right honorable gentleman astonished us by the figures he gave the other day.

Sir JOHN FORREST.—The prospect did not look so good at the time. Things turned out better than we thought.

Mr. GLYNN.—Undoubtedly, that may be so, but these are the figures on the subject. In Western Australia, Customs duties for 1900, the year before Federation, produced a revenue of £944,000.

Sir JOHN FORREST.—That was not so much as we usually got.

Mr. GLYNN.—Never mind; that was the revenue at the time the Treasurer was pressing the other States so hard for special terms to induce Western Australia to enter the Federation.

Sir JOHN FORREST.—You all agreed to them.

Mr. GLYNN.—In 1904-5 we have a revenue from Customs in Western Australia of £1,029,000, exclusive of the special Tariff. So that in Western Australia there was actually received in 1904-5 a great deal more revenue than was received in 1900, without taking the special Tariff into account.

Mr. CARPENTER.—There has been an increase of population.

Mr. GLYNN.—That is so, no doubt; but Western Australia has not suffered from Federation. We might leave the whole of

the special Tariff results out of account, and Western Australia will be found to be not in a worse, but in a better, position than before Federation.

Sir JOHN FORREST.—It is an extraordinary thing that members of the Federal Convention thought that the opposite would be the case.

Mr. GLYNN.—They would then have believed anything from the right honorable gentleman; he appeared to be so very simple. At the same time, these are the facts, and it is as well to bear them in mind, especially when the right honorable gentleman makes such strong appeals for consideration for his little project for the construction of the transcontinental railway, which he always puts forward as a sort of compensation for the sacrifices made by Western Australia in coming into the Federation.

Sir JOHN FORREST.—“Understanding” is the word I used.

Mr. GLYNN.—To come to something sweeter. The honorable and learned member for Werriwa and myself strongly pointed out in 1902, when the sugar question was being considered, that we were making a huge sacrifice of revenue that was not justifiable. I mention the honorable and learned member and myself because we stood to the last in opposition to the proposal then made by the Ministry. We both predicted that, as it was proposed that these sugar bounties should be given only until 1907, as sure as possible before 1907 an agitation would spring up for their extension. We also said—and in this connexion I might quote my own words—that—

A time will subsequently come when there will be a glut of production. . . . An export bounty will be called for.

That will be the next step, which at present we do not propose to take.

Mr. PAGE.—That time has not arrived yet.

Mr. GLYNN.—No; but it is indicated in the Budget speech of the Treasurer. The right honorable gentleman showed that the local supply had overtaken the demand, and that the industry will have to look out for markets abroad. I shall show in a minute what chance the industry has of getting these markets abroad. It is significant that a recent writer in one of the English reviews, the name of which I forget, though I made a note of it at the time

I read the article, points out that when the glut does come there is always some demand for bounties on production and for the encouragement of the export trade. In France, for instance, there was an import duty on wheat, but when there was a glut of production there was a demand made for a bounty on export, and it was granted. The writer I refer to says—

Bounties on export were never heard of while the sugar producing countries depended on outside sources for any material of its supply; they arose when imports ceased, owing to an increase of home production, simply in response to the clamour of manufacturers for help and encouragement.

That is the statement of a writer who has examined the European sugar question, and his remarks apply with equal force to Australia.

Mr. CONROY.—That is absolutely the case.

Mr. GLYNN.—The honorable and learned member reminds me that he and others stated, when the bonus was first proposed, that the time would come when the production of sugar in Australia would equal the consumption, and that then trouble would arise from the loss of duty. What is the position? Last year the consumption of sugar in Australia was about 180,000 tons, and the quantity of sugar produced 160,000 tons, while the production of this year is estimated at 183,000 tons, or more than the consumption of last year. What chance is there of finding a market for our surplus sugar outside Australia, which the Treasurer suggests can be found? The world's production of sugar has increased tremendously of late years, while, during the last century, the cost of production has very much decreased. To take a period of twenty years, the world's production of sugar in 1882-3 was 3,983,000 tons, and in 1904-5, 9,827,000 tons. Great economies in the production of sugar have recently been effected, although they have not yet been applied to some of the older sugar-producing countries, and the Commission has shown that this non-application of improved methods is the cause of the trouble in the West Indies. In the face of this increasing production, there is not much chance for Australian sugar in the world's markets, unless we do what we shall surely be asked to do, give a bounty on export to continue the encouragement which it will be alleged the industry requires.

Mr. CONROY.—Allowing the owners of the richest land to continue to levy on the owners of the poorest land!

Mr. GLYNN.—As the honorable member for South Sydney has shown, the price of sugar has increased in the United Kingdom; but that has been the result of Chamberlainism. Mr. Chamberlain began his campaign by some diplomatic notes in 1897, and, on the 30th September, 1903, a treaty which had been entered into at his instance by the non-producing sugar countries, came into force by proclamation in England, with the result that there has been an increase of 160 per cent. in the price of sugar, comparing the price in 1902 with the price in 1905; and it has been shown that a rise of 1d. per lb. means a tax upon the consumers of sugar of £15,000,000. That has been the result of the policy of stopping importation from Russia, Argentina, and Denmark, in September, 1903, and from the Dominican Republic, in July, 1904. I do not wish to give many instances of the disastrous effect of the treaty in England; but I should like to mention that in the confectionery trade it has caused loss of employment to between 15,000 and 20,000 hands. If we coddle the sugar industry here, we shall have a similar result, because our policy will do great injury by increasing the price of sugar to industries for which it is a raw material. As our law stands at present, the sugar excise expires on the 1st January, 1907. The import duty is £6 per ton on cane sugar, and £10 per ton on beet. Now, when our production, as it is anticipated it soon will, reaches our consumption, if there is no longer any excise, the whole of the import duty will go to the sugar industry. I do not say that it will all go to the producers, because I believe that the bulk of it will not do so, and that we are really wasting a great part of the bounty by paying it to refiners and others engaged in the industry. Now, the revenue from sugar in 1902-3 was £780,000, and the whole of that amount, and, indeed, a larger amount, allowing for the increase of population, will therefore be lost to the Treasury if the law is not amended. This shows the folly of the settlement agreed to by this Parliament two or three years ago, although we were then told that it was a perfect and a fair one. Let us consider the operation of the duties up to the present time. The revenue in 1902-3 was £780,448, and in 1904-5 £628,511, a

difference of £151,937, but it is necessary to add the £128,165 paid in bounties last year, so that the real difference between the revenue of 1904-5 and that of 1902-3 is £280,102, which is a pretty stiff payment for the taxpayers of the Commonwealth to make to the sugar industry. The estimated revenue for 1904-5 is £607,500, or £172,948 less than the revenue of 1902-3, and, adding the £151,670 to be paid in bonuses, the total payment to the sugar industry next year will amount to £324,618. I am sorry that the honorable member for South Sydney thinks that when the bounties cease the excise duties must go, because that will mean the sacrifice of the whole of our revenue from sugar, since the import duties will act prohibitively directly our production is equal to our consumption. If, however, the excise be not continued after 1907, we shall be giving away, on the basis of the 1902-3 receipts, £780,000, or more probably, allowing for the increase in population, £1,000,000, to an industry which, I hope to show, is not entitled to a penny of compensation. If the excise duty is kept on, however, and the bounties continued, we shall get a net return of £1 per ton on a production of 180,000 tons, that being the difference between the excise and the bounty, as all our sugar will by that time be produced by white labour.

Mr. TUDOR.—No.

Mr. GLYNN.—If the honorable member says that the law which was passed three years ago with flying colours is futile, it shows the foolishness of some of the cocksure assertions which were then made. The position will be that we shall be getting £1 per ton on a production of 180,000 tons, and the loss, on the basis of the 1902-3 revenue, will be £600,000 per year. That is the amount which, with a slight deduction for New South Wales growers, will be given to the Queensland sugar industry. Furthermore, of course, the price of sugar will be increased to the consumers, though I am dealing now merely with the effect of the continuation of the bounty on the revenue. According to the statement made by Sir Edmund Barton, in introducing the Pacific Islands Labourers Bill, there are about £6,000,000 invested in the sugar industry, estimating the value of land as capital.

Mr. CONROY. — A most extraordinary thing to do.

Mr. GLYNN.—I do not now wish to examine that estimate, but I desire to point out

that, if the policy of the Government is carried out, we shall be making a present of 10 per cent. on the invested capital to an industry which our White Australian policy has by no means destroyed. Of course, if Victoria likes to do this, it is her affair, because the consideration of the kanaka question is no longer bound up with the Tariff, and she is the biggest loser of revenue among the States. I do not know the exact amount, but probably it will eventually reach between £200,000 and £300,000. I hold that Queensland is not entitled to one penny of this compensation. Sir Edmund Barton, in introducing the Pacific Island Labourers Bill, on the 2nd of October, 1901, said—

From 1868 this traffic has been condemned, not only by the rest of Australia, but by the continued policy and repeated utterances of the statesmen of Queensland. . . . In introducing the Bill the Commonwealth is carrying out only what has been the declared policy of Queensland for the last twenty years at least.

That Bill was intended to stop the importation of kanakas, and was not intended to confer any special Tariff advantage upon the sugar-growers. In 1877 Sir John Douglas, who was then Premier of Queensland, declared that the policy of kanaka importation was bad, wrong, and utterly rotten, and not one of the Acts passed by the Queensland Legislature contains any suggestion of compensation. The only consideration that was shown to the sugar-growers was given to them by way of an extension of time, which expired in 1902. In 1892 Sir Samuel Griffith, after the importation of kanakas had been stopped for two years, granted the sugar-growers a further term of ten years, in order to enable them to adjust themselves to the new conditions to be brought about by the substitution of white for black labour. At the end of that period the policy of kanaka importation was to stop. There was to be no compensation. I do not see why we should be so generous as to pay Queensland for the abolition of a policy which it had determined to abandon long prior to the establishment of Federation. We know, of course, that various considerations operate to induce honorable members to cast their votes in a certain way, but I really cannot understand how any body of men who had the interests of the Commonwealth at heart could hand over to Queensland the bulk of £780,000 per annum to compensate her for the abandonment of a policy which she had deter-

*Mr. Glynn.*

mined should cease in 1902. Now let us look at the case of New South Wales. I know that the representatives of that State have not asked for any compensation. They are generally sensible in their demands. Under the general policy, however, wherever white labour was found producing sugar it was to receive the benefit of the bonus, and, according to the figures contained in the Treasurer's Budget papers, we have actually been paying New South Wales for increasing the production from the black labour employed. In 1902, 19,423 tons of sugar were produced by the employment of white labour, and 1,426 tons by the employment of black labour, the bounty paid amounting to £36,303. That was the state of the industry when the sugar bonuses came into operation—practically the whole of the production was by means of white labour, and yet we gave the planters of New South Wales bounties amounting to £36,000.

Mr. CONROY. — We gave that to the owners of some of the finest land in the world.

Mr. GLYNN. — The honorable and learned member can doubtless speak from personal knowledge of the subject. I am merely dealing with the figures presented by the Treasurer. In 1904 the production of sugar by means of white labour amounted to 17,812 tons, or less than was produced in 1902, whereas the production of sugar grown by black labour had increased to 1,838 tons. Nevertheless, we paid to the New South Wales sugar-growers bounties amounting to £36,107. That bonus was intended to encourage the substitution of white labour for black labour, and yet apparently more black labour than ever is being employed in New South Wales.

Sir JOHN FORREST.—We had to do that under the Constitution. We could not treat one State differently from another.

Mr. GLYNN.—No doubt, but that shows how bad the policy was—how wretched its operation. Queensland is not entitled to compensation, and New South Wales has never asked for any. If we desire to be generous, we must be just. I contend that South Australia has a far greater claim to come cap-in-hand to the Commonwealth than either of the States mentioned, and certainly a far greater claim than Queensland has. Yet it has never done so. I will trespass upon the attention of honorable members to the extent of quoting a few

figures which will show the position occupied by South Australia under Federation, and the expenditure upon which that State has embarked for Australian purposes. South Australia built a railway from Port Darwin to Pine Creek, and prolonged her lines in South Australia proper by pushing them northwards in pursuance of the Australian policy of constructing an iron road right through the continent. According to figures furnished to me by the Commissioner of Audit in 1898—I do not think they have altered since—the loans floated for the purpose of building these railways amounted to £2,493,000. In addition to this, South Australia built the overland telegraph line as an Australian project. The amount devoted to that work originally was £517,000, and £50,000 or £100,000 has since been spent upon it. I am not sure as to the larger amount, but I know that an additional expenditure of at least £50,000 has been incurred. In connexion with the railways mentioned, South Australia has been a continuous loser, and as regards the telegraph line, she lost for several years in the interests of Australia. I cannot speak with accuracy as to the present state of affairs, but the line must show diminishing receipts, owing to the competition of the Pacific Cable Company with the Eastern Extension Cable Company. The Eastern Extension Company sends all its cables over the South Australian line, and when the Pacific Cable took over some of its business, the South Australian telegraph receipts on the overland line fell off to the extent of £13,000 to £14,000 in the first year. The actual indebtedness incurred by South Australia in connexion with various expenditures which must be looked upon as Australian—the greatest of which I have already mentioned—amounted in June, 1904, to £3,527,000, and I put it to honorable members that, inasmuch as these large undertakings have not returned any interest, South Australia has made fairly substantial sacrifices in the interests of a policy that must be regarded as Australian rather than of a purely State character. South Australia incurs an annual loss of £106,000 in connexion with the Northern Territory, and the deficiency is increasing, so that in ten years a further indebtedness of over £1,000,000 will have accumulated. The loss to South Australia in connexion with the Northern Territory has been increased by the operation of the Federal Tariff. South Australia had a special Tariff for the Northern Territory, which, in 1899,

yielded £34,347; whereas the receipts from Customs and Excise in 1903-4 amounted to only £14,132. Therefore, the annual loss to South Australia in connexion with the Territory has been increased by £20,000, a fairly substantial sacrifice, regarding which the South Australian politicians have not made the slightest clamour. I might push matters still further. Under the book-keeping sections of the Constitution South Australia is losing a good deal of money, because there is not a sufficient number of Customs inspectors along the tremendous frontier presented by the Northern Territory to Queensland, and consequently there is a very great leakage of revenue in favour of Queensland. In other words, duty is collected by Queensland upon imports passing through that State to the Northern Territory, and that duty is retained by Queensland, instead of being credited to South Australia. In this connexion, I desire to quote from the last report of the South Australian Audit Commissioner. He says—

I have called the attention of the Government to the urgent necessity for taking action to obtain officers to watch the interests of the Northern Territory at suitable places on the borders, especially those of Queensland. These would require the production of Customs certificates of duties collected in Queensland and upon all goods passing the border into the Northern Territory, so as to enable the Territory to claim those duties.

Also, that for the past three years (nearly) Queensland should repay the Excise and Customs duties that were received by her on goods that were afterwards sent into the Territory.

I say that upon these figures, there are considerations which justify South Australia in asking for a subsidy, quite as much as Queensland is warranted in seeking an extension of the compensation payable under the existing Act. If the principle is good for one State, it is good for another.

MR. HENRY WILLIS.—The honorable and learned member is referring to the sugar bonus?

MR. GLYNN.—Yes. If any mendicancy is to be indulged in, all the States can share in it upon a similar justification.

MR. CROUCH.—But the honorable and learned member cannot select a State. He has to select an industry; and what industry would he select in South Australia.

MR. GLYNN.—We kept the kanakas out of South Australia—in Queensland they were admitted. Queensland sinned for a time, and is to be paid for transgressing, whereas South Australia has not received a penny for not sinning at all. In 1892, the Parliament of the latter State placed

upon the statute-book an enactment which provided for the employment of coloured labour in the Northern Territory, but, under stress of public opinion, it was never put into force. The Commonwealth is compensating Queensland for having employed black labour, but is not giving anything to South Australia for refusing to put into force the statute to which I have referred. I am sure that honorable members will excuse me if I again refer to South Australia, because one has to present statistics in relation to his own State in order to show how the Federation is working. The effect of the operation of the sugar bonus upon South Australia was as follows:—Our revenue from sugar in 1902-3 was £97,000; in 1904-5, it was £61,000—a shrinkage of £36,000. The bonus represented £13,000, so that next year, as against 1902-3, the net difference will be about £23,000. That is not quite a fair comparison, because the revenue from this source in 1902 was rather a large one. It was beyond the normal revenue reaped by South Australia prior to Federation, through a mistake made in the method of giving rebates instead of bounties. Let us take the normal revenue from sugar in South Australia at £60,000, and see what will be the effect of retaining the £3 per ton excise, and of granting a bounty of £2 per ton, as suggested by the Treasurer. Our consumption is about 17,000 tons, and consequently, we shall be credited with £51,000. But as we have to contribute one-tenth of the bounty—that is the proportion of new expenditure which is generally assigned to South Australia—we shall be required to pay £30,000 by way of bounty, leaving as the net duty, under the continuation of this policy of bounties and excise, a sum of £21,000, as against our former revenue of £60,000. That is a very large sacrifice for South Australia to make, considering that she is just as much entitled to consideration as is Queensland.

Mr. HENRY WILLIS.—What does the total loss represent?

Mr. GLYNN.—About £39,000. I say that what we ought to do is to retain the excise of £3 per ton, and to lower the import duty. The difference between the excise duty of £3 per ton and the import duty of £6 per ton is altogether too great. Six pounds per ton is the maximum import rate in Australia, and I do not think that it has been levied in any but one State. In Western Australia,

prior to Federation, they had no import rate; in South Australia it was £3, and in one State I think it was £6 per ton. So that we have really adopted the maximum rate instead of the average rate. Consequently I suggest that the import duty upon sugar should be reduced to £5 or £4 per ton. Even then we should still be giving a preference to the local manufacturer. I would abolish the bonus altogether. If it be retained, it ought to be upon the principle suggested by the honorable member for South Sydney, of a sliding scale which would be indicative of the intention of Parliament to absolutely abolish it at the end of the period when it would automatically expire. I do not wish to quote figures showing the burden imposed by the bonus upon our producers, because that task has been most excellently performed by the honorable member for South Sydney, who knows far more about that aspect of the matter than I do. His figures indicate that, in addition to a very great loss of revenue, an increased burden will be thrown upon the consumer, aggregating from £1,200,000 to £1,400,000.

Mr. CONROY.—A little more than that, I think.

Mr. GLYNN.—It may be so. I have seen it estimated that £5 or £6 per ton represents the increased price, which, under the operation of the Tariff, can be obtained by the local producer, as against the price received in 1900. Upon a consumption of 180,000 tons per annum, that would run into a very large sum. Some time in June last a letter was published in the *Age*, in which it was pointed out that the Colonial Sugar Refining Company pays £10 per ton to the producers for its sugar, and that, after paying £3 per ton excise, which would make its total outlay £13 per ton, it sells that commodity for £22 per ton. That shows that the producer does not derive the benefit accruing from this policy. The figures which I have quoted, if correct, prove that there is a difference of £9 per ton between the price of crude and refined sugar in Australia, whilst the normal difference in England is about 25s. per ton—a very significant comparison. In the daily newspapers of the 17th June I saw a telegram from Queensland, in which it was stated that, as a result of these duties, the cost of the raw material for the factories was increasing, and in consequence the output of jam was shrinking, and that the consumption probably would be diminished.



The result is that, whilst in June, 1899, the factories in Queensland turned out 5,025,000 lbs. of jam, in 1902 they turned out 2,910,000 lbs., and in 1904 1,357,000 lbs.—a very singular shrinkage, to an extent caused by the operation of this fiscal policy. These are figures which, if not conclusive, seem to me to be so, and which are well worthy of the consideration of honorable members before they accept the policy suggested by the Government of extending a bounty which originally ought not to have been granted.

Mr. JOHNSON (Lang).—I do not know whether members of the Opposition are expected to criticise fully the speech of the Treasurer, but in my opinion the Budget speech has yet to be delivered by him. We certainly heard the right honorable gentleman give a great mass of figures connected with the estimates of revenue and expenditure, but he did not give very much information concerning some of the most important items of that expenditure. In connexion with the Estimates, there is yet a great deal to be explained, which we were entitled, I think, to have explained when the Treasurer delivered his so-called Budget. We are left absolutely in the dark in regard to a great many of the most important items on which we shall be called upon to vote by-and-by. I regret that the information has not been given, because if it had it might have considerably facilitated the business to be done.

Sir JOHN FORREST.—If the honorable member will state some points I may be able to explain them when replying.

Mr. JOHNSON.—I trust that the right honorable gentleman will do so in replying, without making it necessary for me to unduly prolong my speech by going through all the items for the purpose of furnishing a skeleton for his Budget.

Sir JOHN FORREST.—I shall come to the conclusion that the honorable member does not know any if he does not tell me of any.

Mr. JOHNSON.—The right honorable gentleman has not given honorable members an opportunity of knowing much about them. Certainly he came down here with his Estimates, and made a speech, in which he gave a mass of figures, which are contained in the Estimates, and which honorable members could have obtained for themselves by a perusal of the printed document. Probably I shall ask the right honorable gentleman to give us some infor-

mation on several points. A large amount of information is required before honorable members can vote on a number of items, and doubtless it will be supplied when they come under consideration. In my opinion, the Treasurer should not wait until that stage is reached; he should have afforded the information when he addressed the Committee.

Sir JOHN FORREST.—I submit that I did so.

Mr. JOHNSON.—In his own opinion the right honorable gentleman may have done so, but that opinion is not, I think, shared by anybody else.

Mr. WILKS.—All the newspapers in Australia say it is the worst Budget ever delivered.

Sir JOHN FORREST.—They are prejudiced. I take their comments *cum grano salis*.

Mr. JOHNSON.—The first item that was dealt with by the right honorable gentleman was the question of immigration. Undoubtedly this is one of the most important questions which we can have to consider. Australia is confronted with the fact that her population is not increasing as we had a right to expect it would. In view of the increased taxation which is taking place this raises a very serious consideration. I see that the Treasurer made some reference to the subject in his speech, but he did not indicate how he proposed to deal with it. I propose to read an extract from his speech on that point—

State aid to immigration has ceased for a longer period in some States than in others; but, speaking generally, I think the period is twenty years. In my opinion, and in the opinion of the Government, the population question presents the great problem that lies before us in Australia.

That, I think, is the opinion of every one who thinks at all on the question; but neither the Treasurer nor the Government has proposed any plan for our consideration. The right honorable gentleman went on to say—

It is not the desire of any one, I am sure, to add to the population—

Sir JOHN FORREST.—What have we been doing in the Budgets during the last four years?

Mr. JOHNSON.—I am not concerned with what we have been doing during the last three or four years. I am only concerned with this fact, that the Treasurer opened his speech with a reference to a question which, he said, is, above all others,

the most important one for the Commonwealth to consider. Therefore it is not a question of what we have been doing during the last three or four years, but a question of what the present Government intends to do when its Treasurer puts the subject in the forefront of his alleged Budget.

It is not the desire of any one, I am sure, to add to the population of the cities and towns, which are already too large in proportion to the population of their respective States. Sydney contains 36 per cent., Melbourne 41 per cent., and Adelaide 45 per cent. of the population of their respective States. The whole question is a serious matter which we have to face. I have no doubt that every honorable member, if asked, could give his own particular reasons why the immigration has been so small.

The right honorable gentleman went on to state what, in his opinion, is the cause of so little immigration into Australia. He said—

In my opinion the principal reason must be looked for in the competition of the United States and Canada. More State encouragement has been given to immigration in those countries than here, more especially the great encouragement in the shape of a free land grant system, which, for years past, I have been in the habit of saying, was the great factor in laying the foundation of the prosperity of the United States, and afterwards of Canada.

Later on, he said—

Admitting, as we all do, that we must have more people in Australia, three things are, in my opinion, essential—one is cheap passages to the country; the next is cheap land on arrival; and the third is assistance from a Government land bank to work the land. Of course, the Commonwealth has no land; it has no mines, nor has it any railways or other means of transit under its control. The States have all these agencies. They have railways, mines, and lands. Now, it occurs to us that if the States and the Commonwealth were to work together in regard to this matter, recognising that they have a common interest, something very satisfactory might be achieved. It seems to me that the Commonwealth should select the immigrants and bring them to Australia on terms to be arranged, and that the States should provide land for them, and finance them through the land bank.

It will be seen that the Treasurer does not help us much in the way of a practical suggestion. Here is simply a bald general statement, which may mean a great deal or may mean nothing at all; but, so far as concerns the practical solution of what the Treasurer says, is one of the gravest of the problems that confront us, his remarks are absolutely useless. Certainly, the suggestion that we should have cheap fares to this country is, in my opinion, a good one. But who is going to provide the cheap fares?

*Mr. Johnson.*

Sir JOHN FORREST.—The Government of New South Wales has even complained of my saying that much.

Mr. JOHNSON.—Is the Commonwealth, or are the States, to provide the fares?

Sir JOHN FORREST.—My idea was that the Commonwealth should do so.

Mr. JOHNSON.—Now we have something definite. The Commonwealth should provide fares for suitable selected immigrants.

Sir JOHN FORREST.—That is what I intended.

Mr. JOHNSON.—The right honorable gentleman did not make that clear.

Sir JOHN FORREST.—It was to be inferred, I think.

Mr. JOHNSON.—Nothing was stated as to how this expenditure was to be met. It is intended, the Treasurer now says, that the Commonwealth should incur that expense, which, of course, will mean a considerable addition to the expenditure which already has to be met out of our one-fourth of the revenue. However, if it would do any good towards settling the question, I, for one, should not grudge the expenditure; especially as if the immigrants were profitably employed we should get a return from their productions which would recoup the Commonwealth. I do not say that it would do so entirely in the first years of the experiment, but in the long run the Treasury would benefit. The next point that the right honorable gentleman emphasized was that we should have cheap land for the immigrants on arrival. Here we are confronted with a question that opens up the whole land problem. Considering the different land laws that exist in the various States, the suggestion of the Treasurer is simply worthless, unless he is prepared to propound a scheme for the consideration of the States whereby cheap land could be provided, on a sound and proper basis, for the prospective immigrants on their arrival.

Sir JOHN FORREST.—The honorable member will see, further on in the speech, that I proposed to confer with the States to ascertain what could be done.

Mr. JOHNSON.—To confer with the States may possibly lead to something being done, but to say that the provision of cheap land will be the result is simply conjecture. The Government might have outlined some proposal for submission to the States as a practical

scheme. It may happen that if a Conference of States Premiers were held for the purpose, some solution might be evolved of a satisfactory nature. However, I am of opinion that if the Government had taken the initiative and prepared a scheme for submission to the States, we might have reached a practical solution a great deal earlier than could otherwise be expected.

Sir JOHN FORREST.—The Government has been in office only seven weeks.

Mr. JOHNSON.—Is the Government prepared to propound such a scheme?

Sir JOHN FORREST.—The honorable member will see what I say lower down in the speech; the Government will endeavour to arrive at an agreement with the States and to work with them.

Mr. JOHNSON.—“Endeavour to arrive at an agreement.” That does not meet the point that I am submitting. I contend that the Government themselves should be prepared to propound a scheme, and should not wait an indefinite time for a conference to be held. Let the Government bring forward their scheme, and, if the States do not approve of it, they can submit an alternative scheme. I wish to see the Government take the lead in this matter, which is the very foundation upon which all other proposals affecting the Commonwealth must ultimately rest. Before we deal with the question of immigration, however, we have to consider that of settling the people who are already here. We find it difficult to do that. We have a large percentage of our population aggregated in cities like Sydney, Melbourne, and Adelaide. That is a most disastrous thing from the point of view of the development of the lands of the Commonwealth.

Mr. JOSEPH COOK. — And from the financial point of view also.

Mr. JOHNSON.—And, unquestionably, from the financial point of view also. This population question is also inextricably involved in the defence question. The very first problem we have to solve, even before dealing with the question of immigration, is that of settling profitably on our lands the people who are already here. In every State there are thousands of men who want land, and millions of acres that want men; and while there remains anything which prevents the men who want the land from having access to it, there is still a problem to be faced. I shall be very much interested to see in what way this Govern-

ment proposes to face that problem. I have a way of dealing with it, but I doubt very much whether my method would be acceptable to the Government. I am not wedded to any particular scheme, although having a preference for one over others. Yet I am most anxious to see the question faced vigorously, and with a determination to solve it. Because every question that faces us—the question of revenue, the question of the establishment of industries, the question of defence, the question of our very existence as a Commonwealth—depends primarily upon the settlement of this one great question.

Mr. KENNEDY.—This Parliament cannot intervene in the matter of land settlement.

Mr. JOHNSON. — I do not see why it cannot. There is nothing in the Constitution, so far as I have been able to discover, which prevents the Commonwealth Government from making a suggestion to the States, or to prevent mutual co-operation between the States and the Commonwealth.

Mr. KENNEDY.—The Commonwealth cannot get a little bit of land that it wants for one purpose.

Mr. JOHNSON.—I see the point of the honorable member's remark. But the Commonwealth Government can get any amount of land—perhaps more suitable than the “bit” referred to by the honorable member—for the purpose of establishing the Federal Capital. The Treasurer, in his Budget speech, goes on to say—

The States have all these agencies. They have railways, mines, and lands. Now it occurs to us that if the States and the Commonwealth would work together in regard to this matter, recognising that they have a common interest, something very satisfactory might be achieved. It seems to me that the Commonwealth should select the immigrants and bring them to Australia on terms to be arranged, and that the States should provide land for them, and finance them through the land bank.

To my mind, a proposal to finance these immigrants through the agency of a land bank is most objectionable, savouring too much of the socialistic idea of the establishment of a State bank.

Mr. GROOM.—Would the honorable member prefer an out-and-out grant?

Mr. JOHNSON.—I would prefer that the immigrants who come to this country should not require to be financed by a land bank, but should be of the class who, at the present time, are emigrating to America and Canada, with means of their own.

Mr. GROOM.—In Canada is not some assistance given?

Mr. JOHNSON.—Some assistance is, I understand, given.

Mr. GROOM.—Does the honorable member not agree with some assistance being given?

Mr. JOHNSON.—I do not think assistance should be given unless under very exceptional circumstances. The immigrants we desire are of the farmer class, who are anxious to find new places of settlement, and who have means to start for themselves, only requiring proper facilities in the way of assistance in selecting land, in the removal of burdensome taxes on the requisites of their industry, in cheap means of transit to market, and other conveniences which minister to comfort and success. But if we get a class of paupers into the country, who rely entirely on the State to finance them, I am afraid that, in the long run, we shall find them flocking into the cities, and helping to swell the already large army of unemployed.

Mr. AUSTIN CHAPMAN.—Surely the honorable member does not say a man is a pauper because he has not a lot of capital?

Mr. JOHNSON.—It is not necessary for an immigrant to have a lot of capital for the purposes of small settlement, which I think is the best, similar to what we find in Japan—

Mr. MAUGER.—What does the honorable member call "small"?

Mr. JOHNSON.—I do not desire a class of immigrants whose only object is to add field to field and acre to acre, simply for the purpose of obtaining large estates, and emulating the style of the lord of the manor. Those are not the men we want, but men who are anxious to secure a homestead, and form family groups of settlement.

Mr. GROOM.—Is it not desirable that we should assist such men to acquire homesteads?

Mr. JOHNSON.—Certainly; but, in my opinion, there are in England at the present time men of that type in sufficient numbers who have capital enough to start in a small way. If such people desire to come to this country, they might be assisted by means of reduced rates of passage, and in a variety of other ways. Such a class as this is preferable to a class which is practically pauperized before leaving the old country for our shores. I would not even debar men of very limited means indeed from coming

here, provided they had the other essential qualifications, and also provided we could be certain that, after their arrival, they would go into the country and develop our resources in the way originally intended. But we have no means of knowing that the immigrants who come would do so; and if we have much of the kind of legislation we have been having recently, which has tended to denude the country districts of the agricultural labouring population, and to attract them to the cities by means of minimum wages, and other artificial methods of remunerating labour, the only result will be that the immigrants, instead of going out, and helping to develop our natural resources in the rural districts, will simply, as I say, join the ranks of the large army of unemployed in the cities.

Mr. AUSTIN CHAPMAN.—Does the honorable member object to a minimum wage?

Mr. JOHNSON.—I think the minimum wage is one of the most absurd laws ever passed. What it has had the effect of doing is to make the minimum wage the maximum.

Mr. MAUGER.—Not in a single instance.

Mr. JOHNSON.—It is driving altogether out of employment men who otherwise might have been able to earn what is now the minimum wage, and it is bringing the wages of the highest skilled men to the minimum level.

Mr. MAUGER.—Does the honorable member not know that not even the average wage is the minimum wage?

Mr. JOHNSON.—In New South Wales I have the assurances of employers of labour—

Mr. MAUGER.—Get the official returns.

Mr. JOHNSON.—I think I know as much of this subject as the honorable member is likely to be able to tell me.

Mr. MAUGER.—If the honorable member says that the minimum wage is the maximum, he knows nothing about the matter.

Mr. JOHNSON.—Then that settles it. The honorable member for Melbourne Ports claims a monopoly of all such knowledge, and no one else can possibly know anything about the matter. Coming now to the Estimates, I see there is an item of metals and machinery, from which the estimated revenue is £445,000. That is an item on which we ought, I think, to have a little information. What I desire to know, and what the Treasurer has not explained, is whether this estimate of nearly half-a-

million is based on the normal values of metals and machinery imported, or whether it is based on a possible inflation of values by the Minister of Trade and Customs, or his subordinate officers. It would be interesting to have the information, because we have lately had some little experience, in connexion with harvesters, of what may be done in this direction. While speaking on the item of metals and machinery, I wish to say a few words on the subject of those harvesters. I hope that this principle of the Minister taking on himself the right to assess the value of imported machinery will not be acted upon in the future. I hope that the practice of officers of the Department, in attempting to get the Minister to make assessments of values, will be discouraged, not only by this House, but by the Government when this House is no longer sitting. As I pointed out the other day, if the Ministry had the audacity to raise the duties on machinery, behind the back of Parliament, when Parliament is actually sitting, how much more likely are the Ministry to carry that audacity to greater lengths, when Parliament is in recess, and is no longer in a position to bring the acts of the Minister under review.

Mr. AUSTIN CHAPMAN.—That is very unkind.

Mr. JOHNSON.—It may be unkind, but it is a very necessary thing to say. It was unkind of the Minister to try to ruin—perhaps he did not intend to do so, but the effect would be just the same—a deserving firm of importers, who had been conferring very great benefit on the farmers of this country by importing harvesters.

Mr. KENNEDY.—They are pure philanthropists!

Mr. JOHNSON. — They are quite as much entitled to be considered philanthropists as are McKay and Company. At any rate, their philanthropy is actuated by no less worthy considerations than is the philanthropy of the manufacturers of the Sunshine Harvester. In this connexion I wish to refer to the Canadian report, and to the action of the Collector of Customs for Victoria. It will be remembered that a number of invoices from the Massey-Harris Company were, on the initiative of Mr. McKay, submitted to the Comptroller-General of Customs for consideration, with a view to raising the valuation of these harvesters for purposes of duty at the port of entry in the Commonwealth. Action was taken on

the following letter from Mr. McKay, dated 14th June, 1905, in which the writer says—

The American export price is still less than mine, but I would suggest that you would fix the duty on future lots at £63, plus 10 per cent., which would bring the cost over the landed cost in Italy of 5ft. machines (which is the size imported here), the freight being somewhat more to Australia than Genoa. Our American friends will probably be importing at an early date, and I ask you to give this matter early attention. Would it not be advisable to charge duty as mentioned above, and let the onus of disproof fall on the importer.

I say that is a most impudent suggestion on the part of Mr. McKay. What right has he, or any other person, to go as a rival manufacturer of these articles to the Comptroller-General of Customs and tell him what he should do in regard to the valuation of these goods at the port of entry? If the Comptroller-General of Customs had done his duty, he would have told Mr. McKay to mind his own business. That is the reply which should have been given to that gentleman's letter. But what did he do? Did he stand on the dignity of his position and assert his right to be the best judge of the action he should take in his position as Comptroller-General of Customs? Not at all; instead of doing that he tamely bends the knee to Mr. McKay, and immediately starts to put his suggestion into execution. Acting upon the suggestion, which virtually amounted to positive dictation and direction, he collected a number of invoices of the Massey-Harris Company, which he sent to Canada with a request that the Commissioner of Customs there should go through them and give him information as to what was the fair market value of Massey-Harris harvesters in Canada. From the papers which were laid on the library table, we have seen that the Commissioner of Customs in Canada gave these invoices to a special inspector, with instructions to make a full inquiry. After full and complete investigation as to the ruling prices in Canada, a report was furnished absolutely favorable to the Massey-Harris Company, and confirmed the valuation set out in their invoices. Prior to this report from Canada, the following report from Mr. Smart, the Collector of Customs in Victoria, was submitted to the Comptroller-General:—

Upon careful investigation and examination of the books of the Massey-Harris Company, I am satisfied that the invoice price for stripper-harvesters, viz., \$183 (about £36 2s. 6d.), with \$2

(8s. 4d.) extra for poles and adjustments, represents a fair wholesale market value of these machines.

That was the opinion of Mr. Smart himself.

Sir WILLIAM LYNE.—That was not the last opinion he gave.

Mr. JOHNSON.—That was the opinion he gave before, and, I presume, he had then as much knowledge as when he gave a different opinion later.

Sir WILLIAM LYNE.—That is not to be presumed at all.

Mr. JOHNSON.—Yes it is, or else he would not have made that minute. I should like to know whether any pressure was brought to bear on Mr. Smart to induce him to alter his opinion later.

Sir WILLIAM LYNE.—Who by?

Mr. JOHNSON.—I should like to know whether any pressure was brought to bear on him by the Minister of Trade and Customs, or any one else.

Sir WILLIAM LYNE.—Why does not the honorable member say that he suspects the Minister, and then prove his justification.

Mr. JOHNSON.—I should like this information, because it seems to be a most remarkable thing that, shortly after making this report, a report which was amply confirmed by that received from the Canadian Commissioner of Customs, Mr. Smart should alter his opinion. In the face of the Canadian confirmation of his first report, I should like to know what new light was thrown on the subject, and what new evidence was brought forward to induce Mr. Smart to vary his original report, with a view to increasing the alleged value of these machines for dutiable purposes at these ports.

Sir WILLIAM LYNE.—Why does not the honorable member speak out like a man, and not make insinuations?

Mr. JOHNSON.—Why does not the Minister act like a man, and not use the power of his position to injure unjustly the business of a reputable firm for the pecuniary advantage of a rival in business? I say that it is an abuse of his position as Minister of Trade and Customs for the honorable gentleman to go into that office, and, behind the back of Parliament, artificially raise the duties on these articles. That is a great abuse of the Minister's position, and there has also been a gross abuse of the powers of the officers under him.

Sir WILLIAM LYNE.—Does the honorable member say that I ever saw Mr. Smart on the subject? It is cowardly to make these insinuations.

Mr. JOHNSON.—I say that the action of the Minister calls for very strong comment, and I am prepared to pursue the matter further.

Mr. JOSEPH COOK.—I rise to a point of order. The Minister of Trade and Customs has just now, in effect, called the honorable member for Lang a coward. I am sure that that is out of order.

The CHAIRMAN.—I ask the honorable gentleman to withdraw that statement.

Sir WILLIAM LYNE.—At the desire of the Chairman, I withdraw the statement.

Mr. JOHNSON.—The honorable gentleman may be perfectly sure that he will not prevent me saying what I think it my duty to say, whether what I say affects him or not. I say that the honorable gentleman's action in this matter calls for the most severe condemnation we can give to it.

Mr. KENNEDY.—We heard something about this before.

Mr. JOHNSON.—I have read what Mr. Smart reported prior to the report from the Canadian Commissioner coming to hand.

Mr. KENNEDY.—The Canadian Commissioner will not give information, and the honorable member knows it.

Mr. JOHNSON.—He confirms Mr. Smart's statement as to the probable value of these machines. I am surprised that the honorable member for Moira, as a farmer's representative, should take the stand which he does in this matter, because it certainly will not assist the farmers.

Mr. KENNEDY.—When they require assistance they will not go to swindling importers to get it.

Mr. JOHNSON.—No; but apparently, according to the honorable member, they will go to monopolist manufacturers to get mulct in heavier charges than they would have to pay to any firm of importers.

Mr. KENNEDY.—They know the philanthropy of the importers.

Mr. JOHNSON.—The best way we can secure to the farmer the benefit of cheapness is to allow the freest competition in the supply of these articles, and not to bolster up any individual manufacturer or any monopoly of the manufacture of those things which the farmer has to use. Above all things, we should consider the interests

of the farmer, because he is the backbone of the country. Anything that will assist him in his production is worthy of the most serious consideration by members of this House. Anything that militates against his production by increasing the cost of the implements he has to use, should also receive our serious consideration, with a view to removing all the difficulties that lie in his way.

Mr. KENNEDY.—We have heard something like that before.

Mr. JOHNSON.—The honorable member will hear it again, and he cannot hear it too often for his own good, or for the good of those whom he represents. What is required is the freest possible competition in the manufacture and importation of these goods, so that the farmer may be able to get them at the cheapest possible price.

Mr. KENNEDY.—How many farmers are there in the honorable member's constituency?

Mr. JOHNSON.—And not at the exorbitant rates which must follow the establishment of monopolies. I have been to some extent drawn off the track by these interruptions, and I will now go back to Mr. Smart's report on the Canadian report. Mr. Smart reports on 6th October, 1904—

I am of opinion that the invoice value shown by the Massey-Harris Company for harvesters is correct. The value is about £12 in excess of the International Harvester Company's values for similar machines, which would be a reasonable profit.

Then he goes on to say—

Previous analyses of Massey-Harris values for other machines have resulted satisfactorily for the firm.

Mr. Smart's statement is based not only on the valuation of the machines then, but also upon his experience of the relations of the Department with this firm, which the honorable member for Moira has, in the most unwarrantable fashion, stigmatized as a swindling firm.

Mr. KENNEDY.—That is not correct. What I said was that the farmers do not expect philanthropy from swindling importers. I did not designate any firm.

Mr. JOHNSON.—But, when the interjection was made, I was referring to the Massey-Harris Company.

Mr. KENNEDY.—If the cap fits that company, they may wear it; but I did not designate them.

The CHAIRMAN.—I would point out to the honorable member for Lang that it is not necessary to take notice of interjec-

tions, and I would also ask honorable members to abstain from interrupting the speaker.

Mr. JOHNSON.—Some interjections are of such a character that one can hardly pass them by.

The CHAIRMAN.—I would remind the honorable member that no notice is taken in the official report of interjections to which the speaker does not reply.

Mr. JOHNSON.—Mr. Smart's declaration that previous analyses of the values of other Massey-Harris machines had resulted satisfactorily to the firm, is high testimony to the honour and integrity of the company, and shows that it cannot be properly designated a swindling importing firm. In speaking on this matter, I have no personal bias, because I know no one connected with either the Massey-Harris Company, or their business rivals. I am dealing with the facts simply as they are disclosed in the papers. When the Estimates are under discussion, I intend to give an opportunity for further debate on this matter by moving reductions in the salaries of both the Comptroller-General and the Victorian Collector of Customs, because I consider it necessary to let these officers know that it is the business of Parliament to increase taxation, and that Parliament will not tolerate any attempt by officials to usurp its functions, or to arrogate powers which it was never intended that they should possess.

Mr. KENNEDY.—It is their business to protect the revenue.

Mr. JOHNSON.—There are provisions in the Customs Act which give them ample powers for the protection of the revenue without resorting to the extreme course of increasing valuations. I know that they acted under one of the sections of the Act; but I take it that that section was intended to be used by the Minister with the greatest discretion possible, and the manner in which it has been used shows the unwisdom of clothing Ministers with too wide discretionary powers. The time may come when a free-trade Minister will be in office, and what would the honorable member for Moira and others, who support the action of the present Minister in increasing duties, do if such a Minister decreased duties?

Mr. KENNEDY.—Surely, the honorable member does not hope to see a free-trade Minister in power again?

Mr. JOHNSON.—I trust that I may see the day when the protectionist fallacy will have been relegated to the limbo of the

forgotten and unhonoured past, to which many ancient superstitions have already been consigned, although it, the most ancient of them all, still survives. I am confident that when the lands of this country are open to free settlement, and when our people enjoy the benefits of complete freedom of exchange, we shall not be troubled with the unemployed question, and union labels, tariffs, and other artificial but ineffective means of raising wages and increasing avenues of employment will be considered unnecessary. Coming now to the sugar bounty question, I wish to say that I shall fight against the continuance of the bounty with all the strength at my command. Although the bounty was given only for a limited period, there is now an agitation, before the expiration of the period, for its continuance for a further term, which clearly shows the truth of my remark on the Manufactures Encouragement Bill a few days ago, that, once a bounty is given, there is no certainty of its ever being repealed. No doubt, if we grant a bounty for the encouragement of the production of iron, the iron-workers, like the sugar-growers, will, towards the termination of the period for which the bounty is to operate, cry out that their industry will die unless encouraged by a continuation of the bounty. In this matter I disagree with the remarks of the honorable member for South Sydney, who this afternoon said he would be prepared to support the continuation of this bonus for another five years, provided it were fixed on a diminishing scale. The honorable member must know that when this bonus was decided on in the first place, there was a time limit fixed; and it is only reasonable to suppose that what is happening now in the demand for a continuation, will happen again as soon as the further period of five years is about to expire. We shall have the bonus with us for all time, because, on the self-same grounds, demands will be made for its extension, whenever it is proposed that it shall be discontinued. Honorable members who now vote for a further extension of the term in the belief that at the end of that term the bonus will disappear, will vote on premises which are altogether wrong, as proved by our past experience.

Mr. AUSTIN CHAPMAN.—The honorable member is against all bonuses?

Mr. JOHNSON.—No, not all bonuses. I can conceive circumstances when, in the

interests of the nation, a bonus might be very useful and desirable. But this particular industry does not comply with any of the conditions which I have in my mental vision at the present time.

Mr. AUSTIN CHAPMAN.—Would the honorable member vote for the bonus on a diminishing scale?

Mr. JOHNSON.—No; if we have an Act of Parliament declaring that a bonus shall be paid for a certain time only, I am prepared to see that Act carried into effect. But, so far as my vote is concerned, it will not be given for any further extension. As I have already said, if we give a bonus to one industry, every industry has a right to the same privilege, and if we give bonuses all round, the industries are simply in the same position they would be in if no bonuses at all were given.

Mr. AUSTIN CHAPMAN.—I suppose the honorable member knows that in the absence of a bonus the industry will drift into the hands of black labour?

Mr. JOHNSON.—I do not believe that the industry will drift into the hands of black labour, seeing that before any bonus at all was given, all the sugar grown in New South Wales was grown by white labour. I see from page 6 of the Estimates that, while the estimate for 1904-5 was £100,000, the expenditure was £121,408, and that the estimate for this year is £146,000, showing an increase of £24,592. Last year the expenditure was £21,408 in excess of the estimate, and the question arises, what guarantee have we that the estimate of £146,000 this year will prove sufficient? May we not reasonably expect to see on next year's Estimates a further amount added in view of the excess of expenditure this year? Is it not reasonable to anticipate that that will be the case, in view of the fact that the estimate last year was exceeded by £21,408? It has been suggested that the sugar bonus is necessary in order to obtain a white labour standard of wages. It may, or may not, be the case that the bonus is required for this purpose; but it must be remembered that coloured labour is not always the cheapest. I came across an instance of that the other day in the city of Melbourne, when, in conversation with a well-known manufacturer of furniture, I ascertained that the best and most expensive furniture in his establishment is made by Chinese labour. The manufacturer, who is a protectionist, told me that the



wages of the Chinese workmen are higher than the wages of the white workmen employed in the same trade—that, in some cases, the Chinese will not work for the wages of the white man.

Mr. GROOM.—Did the manufacturer give the honorable member any idea of the rate of wages he pays to the Chinese?

Mr. JOHNSON.—I intend to get some further information from this manufacturer, and I shall be glad to place it before honorable members.

Mr. AUSTIN CHAPMAN.—Is the case cited not the exception which proves the rule?

Mr. JOHNSON.—No; the manufacturer told me that, in preparing an estimate for some furniture to be supplied to the State Government, there was a stipulation that the furniture had to be made by European labour, and he suggested to his son the advisability of giving two estimates, one for European labour and the other for Chinese labour. In making out the estimate, the manufacturer found that it would cost from 16 per cent. to 20 per cent. more to have the furniture made by Chinese labour than it would to have it made by European labour. I am giving honorable members the benefit of a protectionist manufacturer's own statement in the city of Melbourne.

Mr. CHANTER.—What is his name?

Mr. JOHNSON.—I do not know whether I am at liberty to disclose the name, but the honorable member for New England was with me when the statement was made.

Mr. LONSDALE.—The manufacturer made no secret of the statement.

Mr. JOHNSON.—The statement was not asked for, but was volunteered, and of the furniture that was shown to us in the establishment, the highest class was made by Chinese labour. I do not quote this instance as an advocate of Chinese labour, because I advocate a White Australia.

Mr. CHANTER.—Has the honorable member any objection to give the manufacturer's name?

Mr. JOHNSON.—If I had the manufacturer's permission, I should gladly do so, but at the present moment I do not know whether or not the conversation was regarded as confidential. The information might, moreover, be used for the purpose of boycotting and persecuting the manufacturer.

Mr. GROOM.—Some of the manufacturing firms in Victoria put a stamp on their furniture to show that it is made by European labour only.

Mr. JOHNSON.—And manufacturers stamp the furniture so as to show when it is made by Chinese labour.

Mr. CROUCH.—That is compulsory under the Victorian Factories Act.

Mr. JOHNSON.—In any case, the most highly finished and expensive furniture in that establishment was made by Chinese labour.

Mr. RONALD.—Because the Chinese have driven Europeans out of the trade.

Mr. JOHNSON.—If so, it must have been because of superior skill, since it could not have been on account of lower wages, for the Chinese wages were higher. I was, at the time, getting an estimate from the manufacturer for an article of furniture for myself, and I found that the expense depended largely on whether I wanted the article made by Chinese labour or by European labour—that, if by the latter, I could get it made more cheaply. I merely give this instance to show that coloured labour is not always synonymous with cheap labour.

Mr. RONALD.—I can assure the honorable member that coloured labour is the cheapest in Melbourne.

Mr. JOHNSON.—That is not so in this particular line of industry, according to this protectionist manufacturer and large employer of labour. I give honorable members the statement just as it was given to me; and if, at a later stage, I find I am at liberty to do so, I shall be happy to give the name of the manufacturer.

Mr. AUSTIN CHAPMAN.—Does the honorable member seriously contend that, as a rule, Chinese labour is dearer than white labour?

Mr. JOHNSON.—I do not. I have not said so. What I say is that those who contend that the payment of this bonus is necessary for the purpose of maintaining the white man's standard of wages lose sight of the fact that occasionally the rate of wages paid to the coloured labourer is not always necessarily lower than that given to the white labourer. In the case that I have quoted it was actually higher.

Mr. AUSTIN CHAPMAN.—The honorable member would not favour the payment of a bonus even for the purpose of employing the white labourer as against the black?

Mr. JOHNSON.—No. I would devise some other scheme, for we have the knowledge that the bonus has not decreased the employment of black labour, or the quantity of sugar grown by black labour. Imported sugar pays a duty of £6 a ton, and Australian sugar an excise of £3 per ton. Upon Australian sugar that is produced exclusively by white labour a rebate of £2 a ton is allowed, so that the amount of duty which is actually paid is only £1 per ton. In other words, a protection of £5 per ton is extended to Australian sugar which is produced exclusively by white labour. I wish now to deal with the question of the consumption of sugar within the Commonwealth. At the present time our consumption is about 180,000 tons per annum. Consequently, if the whole of it were produced by white labour, the revenue from that source would be only £180,000. In this connexion I should like to quote a few remarks by the right honorable gentleman. He says—as will be seen by reference to page 1218 of *Hansard*—

I now come to a very important matter—the sugar question. As we add to our local production of sugar, our receipts from Customs duties upon that article must fall off, and our Excise receipts increase. The import duty amounts to £6 per ton, and the Excise duty to £3 per ton. In 1902-3, the Customs duties upon imported sugar amounted to £502,931, whereas, according to the estimate for the current year, they will reach a total of only £93,000.

Later on, the Treasurer states—

The supply of locally-grown sugar has nearly overtaken the demand, and very shortly the industry will enter upon a new phase, inasmuch as our producers will have to look for markets abroad, and engage in competition with the whole world. It is estimated that at the end of the current financial year—in about ten months time—47,500 acres of sugar-cane will be cultivated by white labour.

If the local demand will soon be overtaken by our own production, and if our sugar-growers have to export their surplus to the markets of the world, how will they get on seeing that the price of sugar outside of Australia will be regulated by the price of the article produced in competition with all other countries? Under these conditions, I fail to see how the industry can stand, and how our sugar-growers can become exporters, except at very great cost to the Commonwealth. Later on, on page 1219 of *Hansard*, the Treasurer said—

The foregoing facts, which are clearly set forth in a table in one of the Budget papers, justify the Government in recommending a continuance

of the bonus policy. In this connexion it is proposed to introduce Bills extending the bounty for five years after the expiration of the present term—that is until 1911—upon the same terms as those contained in the existing Act.

As I have already stated, I entertain a very great objection to the continuance of this bounty system, because I am satisfied that just as the sugar-growers are crying out for an extension of the period during which it shall be operative, so they will raise another outcry—before the term for which the bounty is renewed has expired—for a further continuance of that policy. I should like to know where this thing is going to end. When the honorable member for South Sydney declared that he was willing to support the proposal to extend the bounty for a further period of five years, provided that it absolutely ceased at the end of that term, I think he must have overlooked the fact that, at its termination, the question is bound to be brought forward again just as it is being brought forward now. Year after year we see that the sum placed upon the Estimates for the payment of the bounty is increasing. In the end, it must involve the people of the Commonwealth in very heavy taxation.

Mr. EWING.—The excise pays for the bonus.

Mr. JOHNSON.—The excise will be wiped out at the end of a certain term, and we shall have to face the prospect of a continually diminishing revenue from that source.

Mr. EWING.—Every State is getting more by way of excise than it is paying by way of bounty.

Mr. JOHNSON.—The Vice-President of the Executive Council will have an opportunity of explaining that matter at a later stage. I shall be pleased to have some light shed upon this matter by the luminous mind of the honorable gentleman. I am sure that the Committee will be very glad to hear his opinions, seeing that he represents a district in which the sugar industry is one of very considerable importance. Perhaps, as a member of the Government, he will break through this conspiracy of silence which has been characteristic of the Ministry and its supporters on all these most important matters affecting the vital interests of the people of Australia. The annual consumption of sugar in Australia is about 180,000 tons, so that if all the sugar were grown with white labour the revenue derived from that source

at £1 per ton—the Excise duty less the rebate—would amount to £180,000. For the year 1904-5 the revenue collected on imported and Australian sugar was £628,511; and for the year 1902-3 it was £780,448. The amount of revenue we should get if all sugar were imported would be £1,280,000. These figures show that through the policy of granting a bonus and levying Excise duty, we are actually suffering a loss of about £100,000 per annum. Looking at the question from a revenue stand-point, it would pay us very much better if we were to import all the sugar we need.

Mr. PAGE. — If the honorable member had his way, there would be no one employed in the Commonwealth.

Mr. JOHNSON. — That is where the honorable member makes a mistake. There is a difference between encouraging employment in natural channels, which require no State coddling by tariffs or bonuses, and giving employment in industries which it is declared can only be sustained by artificial stimulus.

Mr. AUSTIN CHAPMAN. — What does everybody else say?

Mr. JOHNSON.—I cannot help what anybody else says. My view is that it is far better to give employment in developing the natural resources of the Commonwealth without artificial aid — without penalizing all other branches of industry for the purpose of benefiting a few specially singled out for this preferential treatment. Looking at the question from the stand-point of fairness and equity, we have no right to distinguish between one source of production and another. If we intend to give a bounty to the sugar industry, we ought to give a bounty to the farming, fruit, and other industries. As a matter of fact, the bounty to the sugar industry penalizes other industries which, from a national stand-point, are equally important.

Mr. MAUGER.—Is not the bounty to the sugar industry mixed up with the White Australia policy?

Mr. JOHNSON.—It has no right to be mixed up with what is purely a racial, and not a fiscal, policy. This attempt to mix up the two questions so as to make them interdependent is an absolutely wrong proceeding. The question of the Tariff and the question of revenue should be separated from the question of race. Surely there are other means which could be devised for preserving a White Australia? It

does not even preserve a White Australia; but, even if it did, it could only do so at the expense of permanently injuring several industries of first importance to the present and future prosperity of the Commonwealth. As a matter of fact, the consumer does not derive any benefit from the grant of this bounty. He has to pay the same price for his sugar, whether it is grown by black or white labour, or whether it is imported. Notwithstanding the immense sums paid in bounties to the sugar-growers in Queensland, the taxpayer, in addition to having to pay the bounty, is called upon as a consumer to pay an inordinately heavy price for his sugar. Before Federation, Queensland had to grow her sugar in competition with the rest of the world; and, after supplying her own market, she had to supply the markets of the other States in competition with the rest of the world.

Mr. PAGE.—For what purpose does the honorable member think Queensland joined the Federation?

Mr. JOHNSON.—I do not know. If she simply entered the Federation for the purpose of putting her hand into the pockets of the other States, she acted from a very unworthy motive. But I do not believe that her people acted from that sordid motive. When Sir Edmund Barton talked about the advantages of Federation to the people of New South Wales, and asked them to join the union, he did not say that Queensland desired to join for the purpose of putting her hands into the pockets of New South Wales and the other States.

Mr. PAGE.—Nor did she. She wanted to get into the markets of the Commonwealth.

Mr. JOHNSON.—Sir Edmund Barton talked about the glorious unity of race under the Southern Cross, and all that kind of high-flown sentiment. That was the kind of pabulum he served up to the electors of New South Wales.

Mr. PAGE.—It is a strange thing that the majority took it.

Mr. JOHNSON.—It was never represented to the people of New South Wales that Queensland regarded New South Wales in the light of a milch cow for the northern State. The sugar question was never put before them. Whatever arguments may have been put before the electors of Queensland to induce them to join the Federation from a sordid motive—from the

prospect of monetary gain at the expense of the rest of the community, and of other industries of equal importance in the Commonwealth—certainly they were carefully hidden from the electors of New South Wales. If honorable members were called upon to pay these bounties out of their own pockets, what would they think of the proposal? As business men they would repudiate any such suggestion, and laugh it to scorn. Nevertheless, they do not hesitate to ask Parliament to pay money out of the public Treasury for a similar purpose—a proposal which they would repudiate in their private capacities.

Mr. PAGE.—Who pays it if the taxpayer does not?

Mr. JOHNSON.—I say that the taxpayer ought not to be called upon to pay it. He is not only called upon to pay the bounty, but also to pay an exorbitant price for his sugar.

Mr. PAGE. — The taxpayers are quite willing to pay it.

Mr. JOHNSON.—They have never been consulted.

Mr. PAGE.—They have been consulted at each election, and say they are quite willing.

Mr. JOHNSON.—The honorable member is possessed of a singularly fertile imagination. Another point is that this additional bounty of £2 per ton for white-grown sugar has not lessened the production of sugar grown by black labour. That is one of the peculiar features of this business. The bounty was asked for in order to promote the growth of sugar by white labour.

Mr. PAGE.—And it is doing so.

Mr. JOHNSON. — I doubt that very much, because from the evidence before us we find that just as much sugar is grown by black labour as was the case previously.

Mr. PAGE.—But what about the white-grown sugar?

Mr. JOHNSON.—Certainly, more sugar is grown by white labour than previously, but as a matter of fact, the amount paid in bounty for the encouragement of the growth of sugar by white labour has not had the effect of decreasing the quantity grown by black labour. Indeed, we have evidence from some of the north coast districts of New South Wales that it is not profitable to continue to grow sugar under unfavorable conditions. People there were in the habit of growing sugar in an unsuitable climate; but frosts intervened to

divert their attention to other more suitable industries, and we now find that many of the farmers are turning their energies and their talents to a more profitable direction by converting their lands into dairy farms. It would be far better if the people in Queensland who are trying to produce sugar by the stimulus of the bounty would turn to some more profitable means of production, where they would not require artificial aids. I object to bounties on principle, except perhaps for some special purpose of great national concern where the interests of the whole community are clearly served by such means; and then the payment requires to be hedged round with very great safeguards in the public interest.

Mr. PAGE.—Does not the honorable member think that the present Minister of Customs would hedge the payments round with sufficient safeguards?

Mr. JOHNSON.—I feel certain that the present Minister of Customs would do everything he could to raise the taxes imposed on the people of the Commonwealth. But I have yet to learn whether the honorable member for Maranoa is to be numbered amongst those who will assist him in those operations. We have to consider the effect of these bounties on other industries in Victoria, New South Wales, and Tasmania.

Mr. MAUGER.—The people of Victoria are not objecting to them.

Mr. JOHNSON.—If they are not objecting they must be a very patient and long-suffering people. It must be remembered that the people of Victoria are so inured to this system of State coddling, that their moral sense has become absolutely blunted to the wrong and the robbery involved in it. But if the people of Victoria have not complained, those in other States have done so. That is notably the case in Tasmania, where, I am informed, the duty amounts to a tax on the fruit-grower of about £9 per acre. We, as a Parliament, have no right whatever to place one State at a disadvantage as compared with another, or one section of people at a disadvantage in comparison with other sections.

Mr. FISHER.—How much protection does the fruit-grower get?

Mr. JOHNSON.—I have it on the authority of one of the Tasmanian representatives, who knows the industry pretty well, that about £9 per acre is the penalty the fruit-grower is called upon to bear for the

purpose of bolstering up the Queensland sugar-growers.

Mr. FISHER.—The fruit-growers have a protection of 1½d. per lb. on jams and jellies.

Mr. JOHNSON.—I will show what it means to the jam-producer. If the honorable member has any fresh light to throw upon the subject I shall be happy to hear him when I have finished. I prefer to deal with the subject in my own way, and to expose the shamelessness, the robbery involved, the injustice to every other section of the community, and the absolute indefensibility of the sugar bounty, which, I am sorry to say, this Government has been so weak as to agree to continue under pressure.

Mr. FISHER.—There was no pressure.

Mr. TUDOR.—What did the honorable member's Government do about this matter?

Mr. JOHNSON.—Unfortunately, I have never had a Government, but I can promise the honorable member that if ever I do have a Government, this kind of business will receive very scant treatment at my hands.

Mr. TUDOR.—The honorable member may be very sorry for those words some day!

Mr. JOHNSON.—If the situation ever arises that I have to eat my words as to matters of principle before forming a Government, I shall relinquish the task from the very jump. Let me take the question of jam production, to which the honorable member for Wide Bay has alluded, and let me show the cost of the bounty on an acre of plums before they can be converted into jam. The bulk of the plums that are grown are produced for that purpose. But before they can be converted into jam they have to bear a burden of £18 5s. 8d. per acre.

Mr. FISHER.—The bounty has not increased the price of sugar by a fraction of a penny.

Mr. JOHNSON.—It has not decreased the cost of sugar by a fraction of a penny, nor has it decreased the quantity of sugar grown by black labour. I am as much in favour of a White Australia as is any member of the Labour Party, but I do not think that that end will be accomplished by means of a bonus and of Tariff conditions such as are now in operation.

Mr. MAUGER.—How would the honorable member accomplish the object in view?

Mr. JOHNSON.—I do not propose to go into that question now. At another

time I shall probably have a chance to do so. Reverting again to the question of the extent to which the jam-making industry is burdened at present, I would point out that the growers of peaches have to pay £19 5s. 8d. per acre; the growers of apricots have to pay £20 5s. per acre, and the growers of quinces £24 per acre before their fruit can be converted into jam. Why should the sugar industry be subsidized at the expense of others, who are called upon to pay large sums of money in the form of taxation? By penalizing the industries to which I have referred, we are inflicting an injustice on them which, as representatives of the people, we have no right to do. In this connexion I may quote a paragraph from the speech of the right honorable member for Balaclava, delivered when he was the Treasurer in a previous Administration. He said—

New South Wales has undoubtedly received very large benefit from the sugar rebate, because before Federation they were growing nearly all their sugar by the aid of white labour, and, consequently, the bonus has been a little God-send to them.

Even according to the statement of the right honorable member for Balaclava, a most ardent protectionist, the sugar grown in New South Wales prior to Federation was produced by white labour, and it is to be presumed that the growers were not conducting their operations at any loss. Therefore, the bonus has been a little God-send to them. They have, during the last three years, received £114,000 out of the public Treasury, not because they have produced more sugar, but because they have gone on doing exactly what they were doing before any bonus was granted.

Mr. FISHER.—It is only fair to remind the honorable member that the sugar-growers of New South Wales had the benefit of the heavy protective duty that was retained by a free-trade Government.

Mr. JOHNSON.—The duty had been considerably reduced, and they did not have the advantage of the bonus. We could produce anything in Australia, whether the conditions were favorable or not. We could produce ice-fields and raise Polar bears in Northern Queensland, but what would it cost to do so? In cold countries, products natural to the tropics could be grown, and, similarly, the products of the Arctic regions could be raised in tropical countries, provided that those interested were prepared to pay the cost.

Why, however, should we devote our attention to fostering unnatural industries to the neglect of those which can be carried on without any special assistance? Passing away from the question of the bonus, I wish to refer to our Territory in New Guinea. We shall have to provide for the needs of the people who are settled there, and for the development of the Territory in a somewhat better fashion than has hitherto been attempted. At page 1207 of *Hansard*, the Treasurer is reported as having said—

There is an expenditure also in regard to our only Possession—British New Guinea—of £20,000. We have taken over this Territory, and have promised to provide £20,000 a year for its government. It is a great responsibility, though perhaps we have not so far felt the burden.

Then he proceeded to refer to the area of the Territory and to other details, and, at a later stage, remarked—

I am sorry to say that I have not the most recent statistics, as, owing to the few facilities afforded for communication with the Territory, it is difficult to get information, but I am able to inform honorable members that the value of the imports for 1903-4 amounted to £77,000.

Mr. WILKS.—Mostly grog.

Mr. JOHNSON.—I believe a considerable portion of it was.

Sir JOHN FORREST.—No, it was not. Grog represented only £3,700.

Mr. JOHNSON.—The bulk of revenue is derived from other sources. In reply to an interjection by the honorable member for Franklin as to the number of officials being sufficient to supply the information with regard to New Guinea, the Treasurer said—

That is so, but I do not think it is their fault that it has not been supplied. The difficulty is due, I think, to the inadequate mail service between the mainland and the Territory.

Here we have an indication that the residents of New Guinea are not being properly served in the matter of the mail service. In fact, so bad is the service that we cannot obtain particulars such as I think should be before us when we are called upon to consider matters which have a direct bearing on the future of the Possession. It is essential that an efficient and regular mail service should be established between the mainland and New Guinea.

Mr. EWING.—Would the honorable member be prepared to give a bonus in order to secure it?

Mr. JOHNSON.—I do not think that a bonus would be necessary; but, as I have already said, under some circumstances bonuses are defensible, especially when we are dealing with matters of great national concern, or are seeking for means by which we can promote the development of our territory and encourage settlement. It would be interesting to know what is to be done in the way of developing British New Guinea, but I can find in the Treasurer's speech no indication of a policy on the subject having been determined on by the Government.

Mr. DEAKIN.—The first thing to do is to pass the Bill.

Mr. JOHNSON.—Provision has already been made on the Estimates for a vote of £20,000 to carry on the work of government in that Territory. I hope that the Treasurer, when he comes to reply to the debate, will tell us what is proposed in this regard, and also what is to be done in connexion with produce grown in the Territory after settlement, being encouraged, has taken place there. Are we going to deal with produce imported from the Territory in the same way as we deal with that imported from the New Hebrides? Are we going to place barriers in the way of producers in New Guinea getting their products to our markets? These are matters on which we are entitled to have some information, and I hope that, in considering the question, the Ministry will give attention to the advisability of permitting rebates of duties on produce grown in British New Guinea, or any of the adjacent islands, by British settlers, not from the fiscal stand-point, but with a view of trying to enlarge our own Territory, and to people it with an industrious Australian or British population. I have dealt very briefly with this subject, and I now pass on to the question of defence, which I regard, next to the question of population, as being the most urgent matter with which this Parliament has to deal. In my view, the two questions are of the first importance, and are co-related. I am not one of those who would advocate the starving of the defences, but I desire that the money voted shall be expended in the right direction. My view of the question is that we have to look to the Imperial Navy for our first line of defence. Our second line of defence must be the proper equipment and fortification of our harbors and rivers, and coastal defence generally; and our last

line of defence should be our land forces. It seems to me from such a study of the Estimates as I have been able to make, without that complete and full information which we might have expected from the Treasurer, that the great bulk of our expenditure is in connexion with our land forces.

Sir JOHN FORREST.—What do honorable members want now?

Mr. JOSEPH COOK.—We want definite information about something.

Mr. JOHNSON.—Yes, we desire some definite statement as to what is proposed to be done. Dealing with the question of naval expenditure, I find that the right honorable gentleman at page 1206 of *Hansard* is reported to have said—

For this year it is estimated that the naval and military expenditure will amount to £591,431, being £32,928 in excess of the actual expenditure last year, but £696 less than last year's vote. In addition, there are the following items to be considered:—Naval agreement, £200,000, representing the amount payable for a full year; works and buildings and rent, £30,055; miscellaneous, £2,529; making a total expenditure of £824,015. Besides there is extraordinary expenditure represented by additions in new works, £57,516; arms and special armament and equipment, £140,000; making a total of £197,516; whereas last year this expenditure amounted to £200,320.

The item of £140,000 for arms and special armament and equipment is one on which we should have complete information.

Sir JOHN FORREST.—There is complete information in the Estimates and Budget papers.

Mr. JOHNSON.—I think the right honorable gentleman might have explained these items when making his Budget speech. He ought to have shown why this expenditure is necessary.

Sir JOHN FORREST.—So I do, further on.

Mr. JOHNSON.—I have not seen the explanation so far, and I apologise if the right honorable gentleman has furnished it, and I have inadvertently overlooked it.

Sir JOHN FORREST.—It is all before honorable members, every bit of it.

Mr. JOHNSON.—I admit that the Estimates are before us, and while they are all very well in their way, they require a certain amount of explanation as regards details. Questions may arise when the items come before us for consideration in detail later on, and they will then have to be explained more fully than

they have been so far. All that discussion might have been saved, if the Treasurer had supplied us with this information in the beginning. Dealing with the expenditure under the headings fortifications, barracks, rifle ranges, and drill halls, I find that the total amount required for New South Wales is £5,718. Some of this is for new works and some for additions to existing works. The total for Victoria under the same headings is £4,726; Queensland, £1,325; South Australia, £549; Tasmania, £303; and Western Australia, £21,292. To put these figures in another way, the amount proposed to be expended under these heads in Western Australia is nearly twice as much as that proposed to be expended in all the other States put together.

Mr. KELLY.—And it is being expended at the wrong port; it should be expended at King George's Sound.

Mr. JOHNSON.—I believe the observation of the honorable member for Wentworth to be a very pertinent one. The explanation given of the proposed expenditure in Western Australia by the Treasurer is as follows:—

The fortifications at Fremantle, which are to consist of two forts—one at Arthur's Head and one at North Fremantle—are being pushed on with, and the efficiency of existing fortifications is being improved. The difficulty with regard to fortifications is that improvements are constantly being required, and that a fort which may be efficient to-day is considered to be out of date in a few years time. We have had experience to that effect already in Australia. There can, I think, be no doubt that a much larger expenditure will be necessary in order to place our fortifications on an up-to-date footing, as also with regard to our naval defence.

Mr. MAUGER.—Is it in order to read from the *Hansard* report of this session?

The CHAIRMAN.—The honorable member is in order.

Mr. JOHNSON.—To continue the quotation—

At the present time the people of Australia, who are a self-reliant and progressive people—as I shall be able to show before I sit down—pay only one-fifteenth per head of the amount paid by the people of the mother country for their naval defence. That being so, the matter only requires to be put before them in a way that is acceptable to them, when I feel sure that it will have the attention that it deserves.

I think that the people of Australia desire to make an adequate contribution towards the upkeep of the Imperial Navy, having regard to the protection which they receive from it, and the interests to be conserved;

but if our fortifications become out-of-date when only two or three years old, I should like to know what is the condition of the defences of Sydney and Newcastle, and other places along the coast of New South Wales and of the other States. Although the vast sum of £21,292 is to be expended on two forts in Western Australia, only a comparatively small vote is proposed for the coastal defences of New South Wales and Victoria, although each of these States has a much larger population than that of Western Australia, and has cities which are more exposed to attack. I do not know whether Western Australia is receiving a disproportionate vote because she is represented in the Ministry by the right honorable member for Swan, but the next largest sum on the Estimates for a similar purpose is less than one-fourth of the amount proposed to be voted to Western Australia, and is to be spent in the State of New South Wales, which is very much more populous. If our fortifications are not in a thoroughly satisfactory condition, it is time that we made provision for making them what they should be. I should like to know if provision is made in the Estimates for the purchase and maintenance of submarines, torpedo destroyers, and other means of defence for our harbors and rivers against hostile attacks. Our attention should not be concentrated on our land forces—which constitute our last line of defence—to the neglect of our coastal and naval defences.

MR. KELLY.—As the Government are not able to speak on this subject, they might keep a quorum to listen to those who do speak.

THE CHAIRMAN.—The honorable member, I take it, wishes to direct attention to the state of the Committee. This is the first time that that has been done during the present session, and I wish, therefore, to point out that the Chairman of Committees is not empowered to cause the bells to be rung, the procedure provided for in the Standing Orders being to call in Mr. Speaker. Last session, however, that procedure was by general consent dispensed with. I will, therefore, put the question. Is it the pleasure of the Committee that I cause the bells to be rung?

MR. WILKS.—Hear, hear! Anything to save time. [*Quorum formed.*]

MR. JOHNSON.—I do not believe in starving the defence vote, so long as the money voted is to be expended for the bene-

fit of the Commonwealth in the most effective and necessary direction. In speaking of the need for looking after our coast defences, I had in mind the fact that there are, I believe, no fewer than sixteen foreign naval stations within easy striking distance of Australia. In considering the Estimates, we ought to keep that fact amongst other facts steadily in view. It is only of late years that Australia has been placed in this position; and it would be a position of serious import to us as a Commonwealth, should Great Britain at any time be involved in war with any of the great European naval powers. Let us hope that we may never see the probability realized, but there is always the possibility that we may be placed in that position at any time; and it is of the first importance that we should be prepared to make adequate provision in our Estimates year by year for the defence of the coast of Australia. So far as I am concerned, I do not grudge any reasonable expenditure for this purpose. There is much matter in these Estimates for hostile criticism; in fact, there is enough material to occupy one for five hours at the very least. But I do not propose to deal with any other subjects at the present time, because I am anxious, as far as I can, to expedite business. Where legitimate expenditure is involved, I shall offer no obstruction to the passing of the Estimates; but where vital principles in which I believe are violated, I shall oppose each item with the full strength of whatever powers I possess. As to the continuation of the sugar bonus, the iron bonus, and proposals of that kind, I declare to the Committee that they must look to me for the strongest opposition. I consider those proposals absolutely wrong in principle. To dip our hands into the public Treasury for the purpose of enriching certain favoured sugar-growers, or other individuals engaged in any particular industry, to the detriment of other producers, and the general disadvantage of the rest of the community, is unjust and wrong, and involves the imposition of wholly unnecessary burdens on the back of the taxpayer.

MR. HIGGINS (Northern Melbourne).—I intend in this very devious debate to confine myself to the one subject of the States debts. This is the only opportunity which honorable members have to deal with the important discussion which took place in Hobart last February, and in Melbourne in



February, 1904. I conceive that we shall have ample chances hereafter of dealing with the questions of the harvesters, the sugar bonus, defence, and the Public Service; and that the eternal fiscal question, important as it is, need not always be dragged into our debates. I must say that at the Hobart Conference, the Premiers of the different States and the Federal Treasurer appear to have been further apart than they were in February, 1904. The clause for taking over the debts, which was carried at the Treasurers' Conference in Melbourne, in 1904, was struck out at the Conference in Hobart in February, 1905; and, I think, it was properly struck out. The scheme had not been sufficiently matured; and, in other respects, I think the Conference at Hobart achieved great results. The leading men concerned made appreciable advance towards agreement, in that, for instance, they decided on the postponement of the appointment of an Inter-State Commission, so as to save expense.

Mr. WATSON.—Parliament had tacitly agreed to that before.

Mr. HIGGINS.—I was not aware of it; but, at all events, a resolution to that effect was put on record at the Hobart Conference. I may say that at the beginning of Federation I suggested, in an article in the review edited by the honorable and learned member for Parkes, that an Inter-State Commission was not required at present. That idea was scouted by those who then said that both the High Court and the Inter-State Commission were mandatory in the Constitution. The High Court has been established, but now we hear no more about an Inter-State Commission being mandatory, and we get on very well without such a body, by means of a Conference of the heads of the various Railway Departments. With regard to the transferred properties, it appears, as it ought to have appeared from the first, to be more a bookkeeping matter between the States than anything else, though there are practical difficulties as to the valuations. As to the income tax, there has been a resolution carried that there ought to be an alteration of the Constitution for the purpose of making Federal officers and Federal members of Parliament pay the same tax as others; and I cordially concur with that idea, whether it be carried out by means of an alteration in the Constitution or not. As to the States debts, some of us remember the reckless promises made by advocates of

the Constitution. The people were assured right and left that there would be a material reduction of interest almost as soon as Federation was established; but those promises have not been carried out, and there does not appear to have been any definite move towards carrying them out, except it were in the discussions to which I have referred. Yet this is a very material point. If we could reduce the interest on our debts of £234,000,000 by 1 per cent., we should reduce the expenditure each year by £2,340,000. Even if we were to reduce the interest by only  $\frac{1}{2}$  per cent., it would mean a lightening of the burden on our revenue by £1,170,000. If we could only conceive how much of our difficulties would be avoided, or how we should be able to do good in the way of enterprises and works all over the Commonwealth, by the saving of nearly one million and a quarter per annum, we should recognise at once that any effort and ingenuity would be justified in solving the problem. Such a saving would be a great relief in view of the ever-increasing expenditure and diminishing receipts of the Federation. We shall shortly be in a very uneasy corner—

Mr. WILKS.—The Treasurer stated in his Budget that we had not enough revenue to meet the interest charges.

Mr. HIGGINS.—I think that the honorable member must have misunderstood the Treasurer. What the right honorable gentleman said was that the interest charges amount to more than the net Customs and Excise revenue returned to the States.

Mr. WILKS.—Exactly.

Mr. HIGGINS. — Of course the deficiency is made up by the States from their own systems of taxation. I have read with very great interest the contributions to the discussion of this subject by the right honorable member for Balaclava, the honorable member for Kooyong, Mr. Irvine, and Mr. Speaker, and I do not think that the paper written by Mr. Speaker, which was submitted to the Treasurers' Conference, held in Melbourne in February, 1904, has received half the attention which it deserves. That paper covered only three pages, but I do not find that in the discussion which took place either in Hobart or in Melbourne any direct reference was made to what Mr. Speaker pointed out.

Mr. EWING.—What was the date of that contribution?

Mr. HIGGINS.—It was written in February, 1904. No doubt there is an excuse for the fact that it has not received the attention which it deserves, because the problem of the transfer of the States debts presents so many faces that each individual is very likely to look only at one face of it, and to ignore the others. I wish to divide what I have to say on the matter into comment on the position as regards the existing debts, and as regards future borrowings, and then to deal with the constitutional restrictions upon what we should like to do. In Australia we have debts which are repayable at all kinds of dates from the present time till 1950. Indeed, since the Constitution came into force some new debts have been incurred which will not mature till 1952. Unless some change is effected the States will continue to incur more and more debts, and we shall obtain no reduction in interest charges. The States will continue to borrow for themselves, and the rate of interest will remain as it is. The position I take up is that the only way in which we can induce a bondholder to accept a lower rate of interest is by offering him a bond that is more desirable in other respects. After all, that is a mere truism. We may have bonds which are more desirable in other respects, and in return for them we may secure a reduced rate of interest, in the same way as British consols by virtue of the position of British credit bear only 2½ per cent. interest, whereas a South American Republic can borrow money only by paying 8 per cent. or 10 per cent.

Mr. WILKS.—Because there is a danger of repudiation in that case.

Mr. HIGGINS.—That fact is obvious. The way in which we can make our bonds more desirable to the present bondholders is first by giving them a better guarantee or security—the bonds being on a sounder basis — and, secondly, by making the bonds or stock more negotiable, more useful for more purposes, and more attractive to more persons. It seems to me that we can achieve both of these results. We can give the Federal backing—we can put the Federal credit behind the debt. We can also give bondholders a more desirable bond by having a uniform stock, and by making it—if necessary—interminable, so that it can be redeemed only by purchase in the market, and we can create

a sinking fund which shall be securely placed in the hands of independent trustees.

Mr. JOSEPH COOK.—What is the Federal backing worth just now?

Mr. HIGGINS.—I shall deal with that matter in due course. It must be remembered that we have a separate contract with every bondholder, and when the Constitution declares that we may take over the States' debts, it does not mean that we may simply say to our bondholders—"We will become your debtor now in lieu of the States, and at such interest as we choose to pay." We have a separate contract with every bondholder, and any exchange from a State to a Federal bond must be voluntary on both sides. For instance, we cannot make the holder of a £100 Tasmanian bond at 4 per cent.—there is a Tasmanian loan of £1,000,000 which will fall due in 1911—exchange it for another bond carrying only 3½ per cent. interest. We must offer some inducement to him, if we wish to effect an exchange. The point put by Mr. Speaker is as follows:—

The utmost care, as I then pointed out, must be taken to avoid the giving of any Commonwealth guarantee in respect of any State stock, as to either principal or interest, without securing for the Commonwealth from the holders of the State stock some adequate return for the added value which must follow the guarantee, which added value should be secured for the people of the Commonwealth.

He then points out how in Canada, which is the nearest analogous case that we can get to the Commonwealth, because in Canada there is a Federation and there are Provinces—there is always a big margin between the price of Dominion stock carrying, say, 3 per cent., and any provincial stock bearing the same rate of interest. So it is with all the percentages. Mr. Speaker continues—

Judging from precedent in Canada and elsewhere, and under normal conditions, the difference in market values between average State stocks and Commonwealth stocks of similar denomination may be expected to be in a tight market about 8 or 9 per cent.

At present we have a tight market, although it is getting easier every day—

and in an easy one from 4 per cent. to 6 per cent., though, of course, the stocks of different States might vary over a range of even 3 per cent. or 4 per cent.

Assuming that Quebec stock was worth £95 in the market, Dominion stock for the same term, and at the same rate of interest would be worth about £103, or £8

more in a tight market. Mr. Speaker goes on to say—

To illustrate, dealing first with 3 per cent. stocks:—While Commonwealth stock at 3 per cent. for a certain term should command par (and Canadian Dominion 3 per cents. are even now quoted in London at  $\frac{3}{4}$ ths over par, and have been much higher),

Dominion stocks were £100 15s. at the time mentioned here—

New South Wales stock of similar denomination (i.e., same rate of interest and term) are on the same day (31st July, 1903) quoted also in London at £89, while the stocks of the other Australian States are quoted at about the same figure.

So that on the same day, bearing the same rate of interest, and for the same term, you have Canadian stock worth £100, and New South Wales stock worth only £89. I referred to the last quotations I could find, and obtained some figures which I beg honorable members to consider. From *The Times* of the 24th July last, I find that on the 21st July, Canadian 3 per cents. were £97 buyers, and £98 sellers, that is to say, they could be got for about £97 10s. On the same date, Quebec 3 per cents. were £87 buyers, and £89 sellers. There was a difference of nearly £10 on each £100 between the value of Dominion stock and that of Quebec stock.

Sir JOHN FORREST.—Perhaps that was because some interest became due in one case and not in the other.

Mr. HIGGINS.—I took stocks for the same term and excluded those cases in which it was ex-dividend.

Mr. GLYNN.—In Canada, there are very few provincial debts. Most of the provincial assets were taken over with the debts.

Mr. HIGGINS.—I admit that the honorable and learned member will be able to find differences, in some cases considerable and in other cases not very serious. But I am coming to the nearest analogy I can get. We have no Commonwealth stock, and we cannot say at the present time what Commonwealth stock for a certain term and bearing a certain rate of interest would fetch in the market. At the same time, we have good reason to believe that as the value of Canadian stock is much higher in the market than the value of the stock of any province, so our Federal stock would be worth more in the market than the stock of any one of the States, however great. I find that while on the same date Canadian

3 per cents. were £97 buyers, and £98 sellers, New South Wales 3 per cents. were £87 buyers, and £88 sellers, and Victoria 3 per cents. were £87 buyers, and £88 sellers. I may mention that Canadian, New South Wales, and Victorian stocks are stocks in which trustees may invest.

Mr. GLYNN.—It is not so many years since Canadian and New South Wales 3 per cents. were almost at the same figure.

Mr. HIGGINS.—I am speaking of their value at the present time.

Mr. GLYNN.—Still, Canada was a Federation then.

Mr. HIGGINS.—The mere fact of there being a Federation affects the value of stocks in the case of our States. On the same date, New Zealand 3 per cents. were £87 10s. buyers, and £88 10s. sellers. On the same date, Canadian  $3\frac{1}{2}$  per cents. were £100 buyers, and £102 sellers, while Nova Scotia  $3\frac{1}{2}$  per cents. were £94 buyers, and £95 sellers.

Mr. WATSON.—Something would be due to the fact that Canada borrows very sparingly, I think.

Mr. HIGGINS.—Her debt is £55,000,000 at the present time.

Mr. WATSON.—Yes, but proportionately it is much smaller than our debt.

Mr. HIGGINS.—It must be recollected that the Provinces of Canada borrow very sparingly, too. I admit frankly that we shall find differences; but the point I wish to establish is that the mere fact of the credit of all Australia being behind the Tasmanian debt would give value to that debt. That is enough for my purpose.

Sir JOHN FORREST.—The price of Australian stock has been very much higher. Three per cents. have been up to £101.

Mr. HIGGINS.—Of course, the Treasurer, who was Premier of Western Australia for such a long time, will recognise that the value of all stocks has fallen since the South African war. We all know that our States are absolutely solvent. What we have to consider is not what we know, but what other persons think. In London it would add to the value of a stock in the market very considerably if it were known that the credit of all Australia was behind that stock. The very name of Australia, although this may be sentimental, would have an effect on the stock, and gives it a value. Persons who wished to invest in these stocks would get skilled advisors connected with the exchange, who would look into the matter, and see that the Commonwealth had

unlimited powers of taxation, both direct and indirect; that it had exclusive power to impose Customs and Excise duties, which, of course, is the most flexible weapon of taxation. That, of itself, would give tremendous strength to any Federal stock that might be offered. If, in addition to these advantages, you were to make the stock interminable, you would attract a great many persons who have long trusts to fulfil, and who do not wish to be continually thinking of how to replace their investments.

Sir JOHN FORREST.—Interminable on both sides?

Mr. HIGGINS.—Yes. Of course, I should prefer, if it were possible, that we should have the option of terminating the stock, and paying off the debt.

Sir JOHN FORREST.—That is often done.

Mr. HIGGINS.—At the same time, on the balance of advantages you would find it best to make the stock interminable, because you would get more persons to compete for it. A great many persons do not wish to be called upon suddenly to find new investments.

Mr. WATSON.—With interminable stock, a sinking fund would appreciate the value.

Mr. HIGGINS.—The honorable member has hit the point. In the old days here, we used to stiffen the shares of certain banks and companies by buying them in the market. But this is perfectly legitimate in regard to stocks. If you have a debt of £100 to pay, and you buy it for £99, it is good business. Supposing that the stock were interminable, a man would feel, "I have not to part with the stock until I wish to sell it." At the same time, there would always be a sufficient quantity of stock in the market, in purchasing which the sinking fund could be used. The mere existence of a sinking fund would be a tremendous strength to the stock. The advisors of the investors would see that. The sinking fund could be vested in trustees, and many would be attracted to exchange. Another advantage is that the larger the stock the more valuable it would be. It is a very curious thing that in most matters the larger the quantity of stuff you have the smaller price you can command. But in the case of stock, the larger the quantity you have the more valuable it is. If in London a man of business wishes to get credit, what does he do? He simply makes use of the fact that he can get British stock and British consols at a moment's

notice, as long as he has the money. He often gets a bill discounted by attaching thereto the stock certificate, which is held until he repays, and he pays at a very low rate of interest in the meantime. Supposing that he got the bill discounted at 1 or 1½ per cent., he would make 2½ per cent. from the stock which he holds as a debt of Great Britain. A large uniform interminable stock would be of tremendous value in the market. There are, briefly speaking, two classes of people who go in for stock. One is the ordinary investor—trustees and the like; the other is the speculator and dealer, who wants stock for financial purposes. We want to attract the latter class as well as the former. I say that a large stock, uniform, always to be had in plenty, easily understood, and not to be repaid, except by purchase, which could be used freely for discount and advance purposes, would attract a number of people whom State bonds never attract now. Just to give an instance—assume that a Tasmanian bond at 4 per cent., becoming due in 1911, is worth £99.

Mr. JOHNSON.—I think that the importance of the figures which are being quoted by the honorable and learned member for Northern Melbourne entitles him to have a quorum present. [*Quorum formed.*]

Mr. HIGGINS.—Of course, my assumption with regard to the Tasmanian bond is merely hypothetical. Assume that a Commonwealth bond at 3½ per cent. was worth £100. That is quite possible. There is, then, a difference of £1 between the value of the Tasmanian bond at 4 per cent. and the Commonwealth bond at 3½ per cent. But there are very many who would prefer to exchange the Tasmanian bond for the Commonwealth stock, because for each £100 they would get £1 of profit, the difference between £99 and £100; and, on the other side, we should reduce the interest, and Tasmania would be relieved to the extent of ½ per cent. She would be paying 3½ per cent. instead of 4 per cent. for the remainder of the term of the loan. There are many people who would be glad to exchange on that basis, which would mean a profit to both sides; but there are many who would not, or could not, perhaps, because their trusts would not let them. But, at the same time, there would be a considerable saving of interest. Take another instance. Take a Queensland loan. There is, in 1915, a Queensland loan coming due

of £11,405,300 — a huge loan to meet. The interest is £456,212 a year. If a Queensland 4 per cent. bond were worth £100 at par, and the Commonwealth 3½ per cent. bond were £102, exchange would be very probable; because the man who held the State bond would get a bond worth £102 for his £100, and, at the same time, the interest would be reduced by £57,000 a year. Queensland would be relieved of interest liabilities to that extent. What has been proposed by the ex-Treasurer? What he has been fighting for is to take over all the debts of the States at once, and to give the Federal backing of the bill for nothing. So that we should, as it were, be indorsing the bills of Tasmania, and of Queensland, and of the other States for nothing, and the Commonwealth would have to look to the States to indemnify it against all those payments. That is to say, as to the Tasmanian loan, the holder would get his 4 per cent. as before, but guaranteed by the Commonwealth; and if the Commonwealth backing made the Tasmanian bond rise from £99 in value to £105 in value, the holder would get £6 for nothing. That would be simply madness, and I am amazed that the late Treasurer—whose absence to-day we all deplore—should lend his name and the weight of his authority to a proposal for giving the Federal backing for nothing.

Mr. JOHNSON.—Did not the Hobart Conference consider this question?

Mr. HIGGINS.—I cannot find, in any part of the report of the proceedings of the Hobart Conference, any reference to this point, which was first raised in the Convention by our present Speaker.

Mr. JOHNSON.—I mean that it considered the general question.

Mr. HIGGINS.—The general question, yes. If we look now at what the ex-Treasurer proposed with regard to the debts—it was not accepted, I may say, by the Hobart Conference—it was “that section 87 of the Constitution be amended by extending the term of ten years therein mentioned to thirty years.” That is to say, he proposed to extend the operation of the Braddon section till the year 1931.

Mr. WILKS.—The States representatives now require it to be interminable.

Mr. HIGGINS.—Yes, they have asked for that. But I desire honorable members to keep their minds directed to what the ex-Treasurer proposed, because it is all one

whole. He wants to extend the operation of the Braddon section till 1931, and thereby to postpone the problem till the next generation. The next part of his proposal is that, “subject to the foregoing and following stipulations the whole of the State debts be taken over by the Commonwealth, when arrangements can be made.” That is clear enough—to take over the whole of the debts. The ex-Treasurer was working upon the basis of section 105 of the Constitution, which permits the taking over of the whole of the debts, or else a part relatively to population.

Mr. CHANTER.—The whole of the debts to date, or the debts when the Commonwealth was formed?

Mr. HIGGINS.—The whole to date. He holds that we are not to confine ourselves to the debts that existed at the time of the formation of the Commonwealth, but ought to include the £32,000,000 which have been borrowed since the Commonwealth was established. And I agree with him. But, at the same time, I want honorable members to observe that the ex-Treasurer proposes an amendment of the Constitution. I hope that that will be borne in mind when I come, a little further on, to deal with my own suggestion.

Mr. HUME COOK.—Could we not do it with the consent of the States, without an amendment of the Constitution?

Mr. HIGGINS.—No, we could not. The extension of the Braddon section to 1931 would leave the Federal Parliament hampered in its Tariff arrangements as well as in its development for another generation.

Mr. WILKS.—It would hamper the whole fiscal policy.

Mr. HIGGINS.—Exactly. We should have to collect in Customs and Excise duties £4 for every £1 that we required, and I think that we should exhibit lamentable weakness if we extended the operation of the Braddon section for one year longer than is provided for under the Constitution. That section was intended to operate for ten years merely to give us breathing time, and an opportunity to look about us; and surely it will be a scandalous thing if we are not in a position to bring forward some better device after we have had an opportunity to ascertain how our finances shape themselves. In spite of that provision in the Constitution, the three-fourths of the Customs duties which is returned to the States is not sufficient to enable them to meet the interest

on their loans. The interest payable on the whole of the States loans is £8,363,564, and the revenue returned to the States for the year ended 30th June last was £7,142,564. The result is that the States have had to make up a deficiency of £1,221,000. What security does the right honorable member for Balaclava propose for the repayment of this deficiency by the States to the Commonwealth in the event of the Commonwealth taking over the whole of the States debts? He says, "Let us have a special Appropriation Act for each State." *Prima facie* the Act which a State Parliament makes may be repealed by that Parliament, and therefore the right honorable gentleman says that provision must be made that these Appropriation Acts shall not be repealed. An arrangement of that kind would involve the amendment of each of the States Constitutions, and to induce six States to pass an identical amendment of the Constitution, and an identical Appropriation Act would be almost a Herculean task. It would be much better if, in place of taking over the States debts between the present time and 1911, when the Braddon section will cease to operate, the debts were taken over gradually, as the market would permit, and the bond-holders were willing to adopt the Commonwealth instead of the State as its debtor. We should watch the market and make use of the opportunities that might present themselves from time to time. The transference of the States debts to the Federal power would relieve the States Treasurers of apprehension far more effectively than would the extension of the operation of the Braddon section. The best way to relieve the States Treasurers of apprehension would be to put the burden of the States debts on the Commonwealth, and that end could be achieved only gradually, if at all. The right honorable member for Balaclava proposes these amendments and others under his scheme.

Mr. JOSEPH COOK.—What chance would the Commonwealth Treasurer have of buying stocks on favorable terms if the bond-holders knew that he wanted them? If they knew the Treasurer wanted to buy, they would hold out for bigger prices.

Mr. HIGGINS.—We all know that the bond-holders would naturally hold out for the biggest price they could get, but the Treasurer would not be under any obligation to buy at any particular time.

Mr. JOSEPH COOK.—But would the bond-holders sell?

Mr. HIGGINS.—This is no novelty. What I am suggesting is done continually with interminable stocks. If you have a sinking fund, you can watch the market, and buy in as opportunity offers through agents. If you have a huge amount of debt, as we have in Australia, it is easy to operate in that way, and to buy up stocks as opportunities may present themselves, because there are always people who wish to realize their investments. If you have to pay £100, and you find that you can buy up the debt for £99, it is good business to buy it.

Mr. WATSON.—If you have the cash.

Mr. HIGGINS.—Yes; and a sinking fund would provide the cash. I understand that the right honorable member for Balaclava proposes to amend the six States Constitutions in identically the same way in three different matters, and in addition to amend the Federal Constitution in three or four distinct matters.

Mr. McWILLIAMS.—What does the present Treasurer propose to do?

Mr. HIGGINS.—I have absolute confidence that when the present Treasurer has had time to bring his good sense to bear, he will put forward a good proposal, but I think it would be absurd to expect him to present to us a cut-and-dried formula after having occupied the position of Treasurer for only about six weeks. The honorable and learned member for Angas very properly called attention to the doubts which exist as to the exact powers conferred by section 105 of the Constitution. Having regard to what has occurred since Federation, I have doubts as to whether that section could be applied at all, because some of the States have borrowed further, and some have renewed old loans since the Federation was established. It is quite certain that the section cannot be applied to the £32,000,000 which has been borrowed since Federation; and I think I have established the fact that if we are to deal effectively with the problem of the States debts, some amendment will be required. I feel that upon a matter in which no strong party feeling need be exhibited, and in which it should be easy to arrive at a consensus of opinion among the financial statesmen who are responsible to the people of Australia, we could induce the public, even under the conditions prescribed in the Constitution, to sanction an amendment. There need be no party feeling exhibited in this matter, because it stands upon a footing utterly different from that

of the fiscal question; and surely we should be able to devise some scheme to which all parties could agree without any acrimony, and put it before the public and ask them to sanction it. There must be an amendment of the Constitution, or else Tasmania and all the other States will have to go on paying the interest on their debts as at present. Now I desire to deal with the subject of future borrowing. The right honorable member for Balaclava says that all moneys required by the States upon loan should be raised through the Commonwealth.

Sir JOHN FORREST.—I do not understand that the honorable and learned member has put forward any plan.

Mr. HIGGINS.—I shall do so afterwards, and shall afford the right honorable gentleman an opportunity to criticise it. In clauses 3 and 6 of his proposal, the right honorable member for Balaclava proposes that the States shall not borrow in London except through the Federal Treasurer; but that if a State so desires, it shall be at liberty to raise loans within the Commonwealth. In clause 8 he provides that any debt incurred by a State within the Commonwealth may at or before maturity be taken over by the Commonwealth Treasurer as if it were a transferred debt. The proposal, which is perfectly right, would involve an amendment of the Constitution. We ought to have only one borrower in London, and that should be the Federal power. It is of the very essence of Federation that we should present one face to the foe and one front to the financial world.

Mr. DEAKIN.—Would that exclude all borrowing by the States?

Mr. HIGGINS.—Yes, in London. It is important that in London investors should have to deal with only one borrower. Of course I admit that if this proposal were carried out it would diminish the importance of the States Ministries to some extent, and I am sorry to see, arising out of the discussion which took place at Hobart, too much of the spirit which is expressed in the words, "Oh, we shall be very small potatoes if we cannot go to London, and float loans for ourselves." We have to look at Australia from a different point of view. If it is necessary in the interests of Australia that we should present only one front to the financiers in London, let that be done; and I think the people of Australia will back us up in doing it. We should be able to show

people in London that we have an unbounded power of taxation, direct and indirect; and we should be able to show the advantage of having one great uniform Australian stock. Then, again, the fear of States Premiers that they would have to come cap in hand to the Federal Treasurer for leave to borrow for public works, is quite exaggerated. I think that was the view taken by the Premier of New South Wales particularly. He said, "Am I to go cap in hand to the Federal Treasurer to ask leave to borrow, and have him criticising my proposals for the construction of public works"? The late Treasurer never proposed that. The right honorable gentleman had no idea in proposing to leave the matter to the Federal Treasurer that he should say whether this or that public work should be constructed. All he wanted to provide for was that he should have complete security that the Federal Treasurer would be paid any excess of interest which could not be met from the borrowing State's share of Customs and Excise revenue. That is what he desired. In just the same way, a mortgagee, when he is asked to lend money, as a rule does not ask what the money is to be spent for, but sees that he has good security for his loan. So it would be with the Federal Treasurer. And what he would say would be, "So long as I can see my way to a reasonable certainty that I shall get back any deficiency of interest from the State, of course I shall borrow for you." The right honorable member for Balaclava tried hard and manfully to secure the assent of the six Premiers to this proposal. Apparently he seemed to think that he could not go on with his proposal for further borrowing, unless he had the assent of the six Premiers. But I feel that if he waits for the assent of the six, he will never get it. I think that it will be the duty of the Federal Treasurer, if he can secure the assent even of four out of the six, to go on with the scheme. I fully agree that it is very advisable that the Federal Treasurer should consult the wishes of the States Ministers. I fully agree that it is the duty of the Federal Treasurer, if he can, to get them all to assent to any policy he proposes with regard to finance; but at the same time, there is a certain limit. The Constitution gives the Federal Parliament, and the Federal Ministry, certain powers and responsibilities, and I feel sure that if the people of Australia are asked to

sanction the giving of certain powers to the Federal Treasurer which will result in benefit, in the reduction of taxation, to the whole of the States of Australia, they will give that power in spite of any State Ministry. The late Federal Treasurer's proposal No. 9, is as to a sinking fund to which he refers in this way—

Upon all loans raised or renewed there shall be provided a sinking fund of  $\frac{1}{2}$  per cent. Provided, that where a sinking fund already exists in a State, the total, whether arising therefrom or in respect of loans or renewals, shall not be required to exceed  $\frac{1}{2}$  per cent. per annum.

I may say that that seems very sound. I think that the amplest powers should also be given to buy the stock of a State or of the Commonwealth at any time when the market is favorable. It is apparent, from what I have said, that there must be, if the scheme of the late Treasurer is to be carried into effect, several formidable constitutional changes. There will further be no reduction of existing debts, and there will be a present made to existing bondholders. But if we are to change the Constitution, let us have a change which will cover the whole ground. What is required is a radical change of section 105, giving the Federal Treasurer the power of bargaining with individual bondholders. That is the essence of the whole change that is required. What is wanted is not a swooping down of the Federal Treasurer to take over all the debts of the States, but power to bargain with individual bondholders.

Mr. DEAKIN.—Is that the only amendment of section 105 which the honorable and learned gentleman would suggest?

Mr. HIGGINS.—That is the main part of it.

Mr. DEAKIN.—Does the honorable and learned gentleman propose the taking over of a part of the debts, or of all the loans of the States?

Mr. HIGGINS.—What I propose would mean that the Treasurer would have the power to select and take over such debts or such portions of debts as he thought advisable, when a good opportunity offered to do so.

Mr. DEAKIN.—I understand that; but is he to take over a proportionate amount of the debts of each State, or to take over the whole of the debts?

Mr. HIGGINS.—I do not at all agree that there is any need for equality in taking over the debts of the States. At

the Convention there was much jealousy between the States which was quite unfounded. It was held that, as one State had borrowed more than another, it would be unfair to take over the debts of a State that had borrowed to the extent of £81 per head of its population, and also to take over the whole of the debts of a State which had borrowed, say, only to the extent of £47 per head of its population. There are these differences in the Commonwealth. Victoria has borrowed £47 per head of its population, whilst Queensland has borrowed £81 per head. It was thought, therefore, after long discussion, that there must be some means provided to secure equality in taking over the debts of the States, whether the whole of the debts were to be taken over, or only a rateable proportion of them. However, these things will not work. My feeling is that we shall not find a Federal Treasurer, in the face of the Commonwealth Parliament, ever venturing to do any injustice to any of the States. He will be watched closely as to what he is doing, and will feel in duty bound not to do anything that will not be best for all the States.

Mr. JOSEPH COOK.—The honorable and learned gentleman has just asserted that he will, unless he is watched.

Mr. HIGGINS.—It must be understood that there would be nothing to be gained by any inequitable arrangement of the kind, because the State concerned would still have to find the interest. The only point is that in one year the Treasurer might take over more of her debts from Queensland than he would take from Tasmania. In this way Queensland might secure a greater reduction of interest payment than Tasmania. That is all; and there would be no putting of an additional burden upon any State. It would simply mean less benefit to the State which has least taken over.

Mr. WATSON.—The present constitutional provision will not work anyhow.

Mr. HIGGINS.—The proposal which I submitted through the medium of the *Sydney Daily Telegraph* and the *Melbourne Age* was stated in this way:—

That an amendment of the Federal Constitution should be submitted to the Federal Parliament, and the Federated States, in the manner prescribed in section 128 of the Constitution. Substantially it should provide for the repeal of section 105 and the substitution of a new section. The new section should enable the Federal Treasurer from time to time to give any holder of State debentures Australian stock in exchange.



I think the Treasurer will agree that a uniform Australian stock will be the proper thing. I go on to say—

This power should apply to all State debts, whether existing on the 1st January, 1901, or not. The Federal Treasurer should be empowered to borrow money for a State at the request of the State Treasurer, and to keep the amount borrowed in the same way as a debt taken over for the State. The latter part of the existing section should be re-enacted, making it incumbent on the States to indemnify the Commonwealth in respect of the debts taken over, and enabling the Commonwealth to retain the interest from any surplus revenue payable to the respective States.

Sir JOHN FORREST.—There would not be likely to be any.

Mr. HIGGINS.—In some States there would be.

Sir JOHN FORREST.—We might say that there are none now, except in the case of Western Australia, perhaps.

Mr. HIGGINS.—If you reduced the interest, there would be a surplus. At all events, it would be practically re-enacting the last part of section 105. I say further—

Then should follow such provisions as may, on advice, be found advisable for securing payment to the Commonwealth of any deficiency in the interest, or for stopping the mouths of critics of our finances, or for making the Australian stock safe and attractive.

I can see, from what the right honorable member for Balaclava said, that he has had skilled advice from London as to what precautions are to be taken in regard to Australian stock, and I should lean a good deal upon that advice. He expects a good deal from confining the borrowing to the Federal Government. I then proceed—

Either enact that the revenue of every State shall be deemed to be permanently and irrevocably appropriated to the payment of any deficiencies; or enact that in case of failure to pay a deficiency, the Federal Treasurer may put in a receiver of the gross railway revenue until his claim be satisfied. Also provide that from the time that any debt is taken over for a State, or that a State Treasurer requests the Federal Treasurer to borrow for him, regular payments, at a rate prescribed, be made into a sinking fund to be kept under proper control, and that the State revenue be irrevocably appropriated for the purpose; and that the States shall have no power thereafter to borrow outside Australia except through the Federal Treasurer.

Sir JOHN FORREST.—That is pretty stiff.

Mr. HIGGINS.—Yes; but it is worth while being stiff, if you can thereby make our stock higher in price on the London market.

Sir JOHN FORREST.—It would be difficult to enforce.

Mr. HIGGINS.—I refer only to a change in the Constitution. There would be no enforcing, but merely a carrying out of what the Constitution provides.

Sir JOHN FORREST.—To put in a receiver would be stiff.

Mr. HIGGINS.—I agree that the power to put in a receiver is beyond anything that we have known, and it is only because the right honorable member for Balaclava informed the assembled Premiers that he was advised that the mere power would be of great advantage to Australian stock, and would improve our credit, that I should support it.

Mr. GROOM.—The existence of the power would render unnecessary its exercise.

Mr. HIGGINS.—The existence of the power is the important thing; the exercise of it is very unlikely. As in the story of the coon and the colonel, when the coon in the tree, knowing the colonel to be a dead shot, said, "Don't shoot; I'll come down"; so in this case, if there were power to put in a receiver, a State would see its way clear to make up any deficiency. I have only said that you should have such provision as might be found from expert advice to be essential, and useful, for the purpose of making your Australian stock valuable. The Braddon provision cannot be continued, though, I think, that the ex-Minister of Home Affairs was the only one present at the Conference last February who saw clearly the position as I have been putting it. He is reported, at page 52 of the report of the Conference, to have said—

If there is in future, after the Braddon clause expires, danger of great extravagance in Commonwealth expenditure, then it is well for the States that they should be secure; and the best way to be secure is to put certain present State liabilities upon the Commonwealth. In the meantime, there may be this security given to the States, which I think they are entitled to ask for, that during the period whilst the liability is growing, but before sufficient debts have been transferred for interest to absorb the surplus revenue, there should be an extension of the Braddon clause. I believe it to be a reasonable proposal; but, at the same time, I am of opinion that the Federal Parliament might take a different view. The most solid vote in that Parliament is the most strongly opposed to in any way curtail the powers of the Commonwealth.

Sir JOHN FORREST.—There is a million and a half short at the present time.

Mr. HIGGINS.—I think a million and a quarter.

Sir JOHN FORREST.—More than that this year.

Mr. WATSON.—That deficiency hardly represents the true position, because it is not a lump deficiency when you come to the bookkeeping provisions.

Mr. HIGGINS.—The book-keeping provisions do not expire in October, 1906; but the Federal Parliament may alter them from that date, and the Braddon provision will be in the same position in the year 1911. My proposal is to leave it as it stands until the financial circumstances of the States more nearly approximate. It would not be fair to Western Australia that £428,397 of her revenue should be given to the more needy States; but if the distribution among the States were on a population basis, Western Australia would get during 1905-6, £428,397 less than she would get under the present system.

Mr. WILKS.—How would Tasmania come out?

Mr. HIGGINS.—Tasmania, South Australia, and Queensland, under a *per capita* system of distribution, would get more than they get now.

Mr. WATSON.—That is because there are so many abstainers from beer and tobacco in Tasmania.

Mr. HIGGINS.—It is owing to the intoxication of the Western Australians that that State has so good a revenue. At Kalgoorlie I have seen men four-deep at a bar. It is that kind of thing which swells the revenue of which the Treasurer boasts so much.

Mr. CARPENTER.—They are consuming less in Western Australia now.

Mr. HIGGINS.—In the course of time the conditions of the States will become more alike. The Hon. John Henry, who was one of the most thoughtful members of the Convention, and whose words on finance I value very much, does not, perhaps because he is not a lawyer, look at the constitutional points involved as some of us would, but his mind has been running in the same way. He says—

It will always be in the interests of the States to do their borrowing in London through the Federal Treasurer, and it is obviously desirable, in the interests of all Australia, that there should be no conflict in so important a matter between State and Federal Treasurers. There is every probability (taking Canada as an example) that our Federal bonds would rank higher in London than State bonds. To secure an advantage for the people of Australia in this and other matters will be the aim of Federal and State Treasurers alike. As to when a conversion of our State bonds into Federal bonds can be effected, and

how to our advantage, is a question for future settlement under the advice of experts. The holders of our State bonds will not part, unless to their advantage, and the difficulty is, how are we to reduce our annual interest charge by conversion and give the holders of our bonds an inducement to part?

That is exactly the problem I have tried to meet. Many people would be very glad to exchange State bonds for Federal bonds if they could only see that the value in the market of the Commonwealth bonds was something greater than that of the bonds of the State—if they could see that the holder of Commonwealth bonds had a certain advantage, and that, although we reduced the interest, they could get £101 for a bond which otherwise would be worth only £100. And it must be remembered that we should not pay the extra £1, but that would be paid by the buyer.

Sir JOHN FORREST.—Has the honorable and learned member given any attention to the Canadian fixed-payment system?

Mr. HIGGINS.—Yes, but I do not wish to confuse that with the matter I am now considering. I may say that an arrangement of that sort is, I think, possible consistently with the position taken up by the right honorable member for Balaclava, as well as with my position.

Mr. WATSON.—The difficulty is to arrive at the sum to be fixed.

Mr. HIGGINS.—I do not wish, as I say, to mix up my proposal with a very wide question, which would lead to a great deal of extra controversy, and which may be discussed independently. We have a most difficult financial position to face. It is quite certain that with the present taxation the one-fourth of the Customs and Excise revenue is not sufficient for the Commonwealth, if we have regard to expenditure which is contemplated. We have, problematically perhaps, a transcontinental railway to provide for, in addition to old-age pensions, and penny postage. We certainly have to provide for a Federal Capital, and for the undergrounding of telegraph and telephone wires, and new Departments and functions to take over, including quarantine, lighthouses, meteorological matters, and banking. Then we have to provide for a sugar bonus, and bonuses for manufactures, and for a High Commissioner, and we may perhaps have to undertake the locking of the Darling. We have also to provide torpedoes and torpedo destroyers, in addition to the £200,000 for the naval

subsidy. We have to pay £50,000 or £60,000 a year for weather telegrams, and there is an increasing Public Service expenditure. At the time of the transition, the Public Service expenditure in the Federal Departments was only £3,733,218, whereas now it is £4,606,273.

Mr. WATSON.—Against that there is an increased revenue in the Post and Telegraph Department.

Mr. HIGGINS.—I am glad to hear that, but, at the same time, we cannot expect to get increased revenue without increased expenditure. For my own part, I do not grumble at giving people an ample means of living if they work for us; the King's service ought to be honorable, and, within reasonable limits, a sufficiency ought to be given to every person employed. I am speaking now only as to the facts.

Mr. WATSON.—The increase of expenditure, so far as the Post and Telegraph Department is concerned, is not a net increase.

Mr. HIGGINS.—I am very glad to hear it. Debts are becoming payable in the different States. For instance, next year a debt of £2,183,000 will fall due in Victoria; in 1907, debts of over £5,000,000 will fall due in the States; while in 1908 over £7,000,000 of debts are payable. I know perfectly well that the States, which have to meet debts at fixed dates will be subject to a "squeeze," such as Victoria experienced two or three years ago, when debts belonging to that State were converted. Victoria had to carry out the work of conversion in the most unfavorable state of the market ever known; she had to borrow £5,000,000 in the process, and add more than £500,000 to her debt. That is what we cannot stand, and ought not to stand. We ought to set to work at the earliest possible stage to see if we cannot reduce the burden upon our people. I am very glad to say that there is a fact which will give a great deal of confidence in our finances. Some financiers in London, who are by no means in sympathy with present-day views, have been amazed to find that the only party which appears to be increasing in Australia—the Labour Party—is the party which is against borrowing. That is a party which favours sound finance; and but for its aid there would have been a stupid loan floated two years ago in London.

Mr. KELLY.—The Labour Party in New South Wales supported Mr. O'Sullivan for all it was worth.

Mr. HIGGINS.—I am now speaking of the Federal Labour Party. The fact I have cited is far-reaching and important, and it has also been observed that since the party I refer to came into power the borrowing on the part of Australia has decreased.

Mr. JOSEPH COOK.—The Labour Party will have to borrow when they begin to nationalize industries—the tobacco industry, for instance.

Mr. HIGGINS.—In conclusion I may say that I have never known the present Treasurer fail to master a problem to which he applied his mind. I do not wish to flatter the right honorable gentleman in his presence, but I think that all he has to do is to apply his mind to this problem as he has applied it to novel and grave problems in Western Australia. I am quite sure he will come to a good, practical conclusion, and I hope sincerely he will be able to associate his name permanently with a great scheme for the conversion of Australian debts.

Mr. KELLY (Wentworth).—It is a great relief to honorable members on this side to at last see the conspiracy of silence broken in regard to all matters connected with Government business. We know that the honorable and learned member who has just resumed his seat is not one who can be too easily kept under the Government whip or under Government control. That may, perhaps, be the reason that on this occasion the honorable and learned member has not hesitated to break the general rule and address himself to the House on questions connected with the Budget. It is quite appropriate that the honorable and learned member should have specialized from the Government benches on the question of debts; for we on this side, at any rate, hold that the party on that side of the House is bankrupt in almost everything except the possession of the Treasury benches, and we can only regret that those benches are of such importance in our dealings in this Chamber. The honorable and learned member for Northern Melbourne has referred to "the problem of reducing our interest," but I think he would have to rack his brains very considerably if he had to solve the problem of how further to reduce the interest which this House appears to take at present in public affairs.

Mr. WATSON.—While the honorable member for Wentworth is speaking it is difficult to maintain interest.

Mr. KELLY.—I was not indulging in any little badinage; I was referring to the most learned address of the honorable and learned member for Northern Melbourne. It certainly does seem strange that in the middle of such a disquisition, containing figures so important, it should have been necessary to wake the Government up to their duty to keep a House. The question to which I propose to devote myself this evening is a question which the Government, to judge from the Treasurer's Budget speech, have evidently not very seriously considered. I refer to the defence question. It will be clear to everybody who has read the Budget speech that the Government have no defence policy. If that fact had not been made sufficiently apparent by the Treasurer's deliverance, I should merely have to refer honorable members to a memorandum which was circulated to-day in regard to the Defence Department. That memorandum, I believe, is intended to carry out the tradition in this Chamber, that a report of the doings of the Department should be circulated each year coincidentally with the delivery of the Budget.

Sir JOHN FORREST.—Not at all; it is merely intended to explain the Estimates.

Mr. KELLY.—Is it not designed to afford us any information in reference to what is happening in the Department?

Sir JOHN FORREST.—No.

Mr. KELLY.—The information which it contains is infinitely more scanty than that which was embodied in the last report. The Committee wish to know something of the workings of the Council of Defence.

Sir JOHN FORREST.—That matter is not dealt with by the paper at all.

Mr. KELLY.—No; the paper does not give us the information to which we are entitled. We have had a Council of Defence in existence since January last.

Mr. EWING.—If the honorable member wishes to gain information upon that matter, why does he not ask questions?

Mr. KELLY.—Because the Vice-President of the Executive Council was specially selected for his present office on account of his ability to dodge giving answers to questions, and he accomplishes his task very well. Ministers have been specially placed upon the Council of Defence in order that they may obtain a knowledge of the policy which that body deems it necessary for Australia to adopt in regard to defence matters, and yet, Ministers will not tell us

anything in reference to the defence of the Commonwealth. If they will not, or cannot, tell us, surely the Committee, in considering the Estimates, are entitled to some report setting forth the proceedings of the Council of Defence, its recommendations, and what has occurred in the Department since the last Estimates were passed. The scantiness of the report submitted might lead one to suppose that the Government had no intention of circulating it until they were asked to do so by the honorable and learned member for Corinella. I am informed, however, that the report was in print when that request was made. It is distinctly a waste of money to print a report of this character, because it is merely a *résumé*—and a poor one, too—of the Estimates which are under consideration.

Sir JOHN FORREST.—It contains a lot of information, and its compilation involved a deal of trouble.

Mr. KELLY.—I could gather all the information that it contains merely by looking through the Estimates. The Treasurer, at odd moments during the deliverance of his Budget—because his statements were never connected—spoke of the Imperial Navy and of our contribution thereto. But even in regard to that matter, which has been a hobby with the right honorable gentleman, we look in vain for that definiteness which we have a right to expect in a Budget pronouncement. He said—

There can, I think, be no doubt that a much larger expenditure will be necessary in order to place our fortifications on an up-to-date footing, as also with regard to our naval defence. At the present time the people of Australia pay only one-fifteenth per head of the amount paid by the mother country for their naval defence. That being so, the matter only requires to be put before them in a way acceptable to them, when, I feel sure, it will receive the attention it deserves.

For the moment, it looked as if the right honorable gentleman's great Imperial soul was about to lift him beyond all petty considerations of place or dependency upon labour support. It looked as if he were about to throw off all restraint, and roundly chide his masters in the Corner upon their parochial view of an Australian Navy for Australian Defence. However, those who expected such a relapse from the Treasurer were doomed to disappointment, for the very next day he went back upon the view which he had almost definitely expressed in his Budget speech. On the occasion to which I refer.

the deputy leader of the Opposition was speaking, as follows:—

The Treasurer told us last night that he was strongly in favour of Imperial defence, and that we ought to pay more for our defences.

The report proceeds—

Sir JOHN FORREST.—I did not say anything about the Imperial Navy. I am not taking back anything I said, but all that I asserted was, that we should have to spend more on our own defences. I did not say in what way that expenditure should be made.

The following dialogue then occurred:—

Mr. JOSEPH COOK.—Am I to understand—

Sir JOHN FORREST.—The honorable member is to understand only what I said.

Mr. JOSEPH COOK.—As the right honorable gentleman refuses to vouchsafe any explanation, I must proceed in my own way. I am indebted to him for his courtesy in declining to assist me to understand what he had in mind.

Sir JOHN FORREST.—It is all in *Hansard*.

Mr. JOSEPH COOK.—But *Hansard* is not available to me at this moment. The right honorable gentleman, at all events, told us distinctly last night that we require to spend more for the purposes of Imperial defence.

Sir JOHN FORREST.—For the purposes of defence.

Mr. JOSEPH COOK.—I think the right honorable gentleman used the word "Imperial."

Sir JOHN FORREST.—I refer the honorable member to *Hansard*.

And yet I have just read in *Hansard* the right honorable gentleman's own words, in which he distinctly mentions what ought to be done in regard to our contribution to the Imperial Navy! I regret two things: first, that, in regard to Imperial defence, he should have gone back upon his statement at such brief notice, and, secondly, that he should have so singularly short a memory of his own words. At any rate, the Treasurer seems to recognise the necessity of an Imperial Navy, even though he obviously lacks the public spirit or the pluck to advocate it for two days together, and so to dare members of the Labour Party in the corner. What the right honorable gentleman seems to lack, however, is an appreciation of what an "Imperial Navy" means, and the immense difficulties in the way of creating one. He seems to think that Australia has merely to pay a few million pounds, and the thing is done. During the course of the Treasurer's speech, some honorable member interjected—

We ought not to pay more for naval defence until we have a voice in deciding in questions of war and peace.

I do not agree with that interjection, but only wish to suggest that the Treasurer's reply was significant. He said—

I have often said that if we wish to have control we must pay, and we have never yet offered to pay our due proportion. I have not the slightest doubt for my own part, although I was sneered at some time ago for saying so, that those who are willing to pay will always find that they will be allowed a good say.

Mr. HENRY WILLIS.—What did he mean by a "good say"?

Mr. KELLY.—I presume that he meant a "good say" in the management of the navy.

Mr. HENRY WILLIS.—But we do not desire that.

Mr. KELLY.—The Treasurer seems to think that the whole question of contribution without representation would be solved the moment we paid, because by some miraculous intermediary we should be granted that control to which we would most certainly be entitled—that is, if we paid—not, of course, what we pay now, or three or four times that amount, but a large subsidy *per capita* or according to the protection we receive.

Mr. HENRY WILLIS.—They would give us representation in the House of Commons, I suppose.

Mr. KELLY.—I hope nothing of the sort would be necessary, as I shall explain presently. The Treasurer seemed to recognise the dependence which each section of the Empire must necessarily place in every other section when a national crisis came. He recognised, as all thinking men must recognise, that help could not come from member to member of our family unless we controlled the seas in time of war, that the ocean highways are the Empire's lines of communication, and that if those lines be broken no help could come from section to section of the Empire, and that the enemy could, therefore, concentrate at its leisure on each point to be attacked. No doubt the Treasurer recognises, as all honorable members who consider this subject must recognise, that the length of our coastline and the sparseness of our population, which make it impossible to easily concentrate our land forces on threatened points of attack, make it trebly imperative that Australia's battles must be fought out on the sea. I have no doubt that the right honorable gentleman also recognised that the need of each member of our family of nations is identical, and that the effort of all must

be put forward unitedly. On this point Captain Mahan says—

To have the greater force and then to divide it, so that the enemy can attack either or both fractions with decisively superior numbers, is the acme of military stupidity; nor is it the less stupid because in practice it has been frequently done.

Mr. KING O'MALLEY. — Where is this enemy to come from?

Mr. KELLY.—That is the opinion of a distinguished countryman of the honorable member.

Mr. KING O'MALLEY. — We have no enemies; we are friendly with the whole world.

Mr. JOSEPH COOK.—What is his country?

Mr. KELLY.—The honorable member for Darwin has been a citizen of many States in Australia, and I think of many States in the United States; but I am referring to the country of his birth.

Mr. JOSEPH COOK.—But he is a Canadian.

Mr. KELLY. — I cannot believe that. That is the opinion—and it is obviously founded on the merest common-sense—of the greatest naval authority, whom, I suppose, we have ever had. Recognising, however, all these points, and being as ardently desirous as any honorable member that Australia should soon realize her duties to the Imperial Navy, I cannot see that the position is quite as simple as the Treasurer would have us believe. He tells us to pay our share, and that everything will be all right. The question is, will it be all right? Let us suppose that Australia contributed her fair proportion, and that that doughty Imperialist, Sir Henry Campbell Bannerman, who is very anxious to reduce the naval vote, were in power in England at that particular time. What would be easier than for that statesman to reduce the burden of the English tax-payer by an amount corresponding to that which we had contributed? Consequently, what we had contributed would not be an increase to Imperial protection, but would only be a lightening of the burdens of the British tax-payer. At the present time England undertakes sole responsibility for the naval defence of the Empire, although that certainly is not creditable to her outlying dependencies. Every party in England, however, now recognises this responsibility, although they have different ways of honouring it. But let contributions once begin to come in before any proper

basis of contribution or allotment of responsibility is decided, and then what was previously the responsibility of one, infinitely the stronger section, becomes the responsibility, not of all, for there is no responsible head, but of none. Would this failure to allot responsibility conduce to the general security of the Empire? Most obviously not. Then there is the difficulty of contribution without representation—a difficulty that is mainly serious for the way the case may be misrepresented. Persons who take this line of argument point to the loss of the American Colonies by England, and say it was due to the same principle of contribution without representation. These gentlemen are begging the question, for what lost the American Colonies to Great Britain was not voluntary contribution without representation, but enforced contribution without representation. What Australia is asked to do is to voluntarily contribute; she is not compelled to contribute. The principle of compulsion has never been authoritatively even hinted at. But this difficulty will no doubt become a serious one when our contribution is in any way proportionate to the services rendered to us. This question of constituting the Imperial Navy on a true Imperial and representative basis is a problem which must be tackled in the near future, not only by the Imperial authorities, but by the responsible heads of all sections of the British Empire. Then, again, comes the point of how we are to arrive at the best representation of contributors to the Imperial Navy. The problem to the new Imperial authority would be not “How is the money contributed to be used?”—for that would be entirely for the professional executive to decide—but “When is this money to be used?” If we are to have representation on the Empire's councils as to when the money is to be used, it is obvious that the fairest way in which this could be done, if it were possible to be done, would be for us to have representation on its Foreign Councils, that is, the councils that would decide when war should be declared and the Navy brought into requisition. Well, to show how almost impossible of attainment this is at first sight, I have only to quote three or four figures. Say, for the sake of argument, that Great Britain was contributing her last year's amount—£36,000,000—and that Australia was contributing what the Treasurer, I understand, thinks it should contribute, £3,000,000.

Sir JOHN FORREST.—I never said anything of that sort.

Mr. KELLY.—Does the Treasurer say he has never said that it should be £3,000,000?

Sir JOHN FORREST.—I have never named any sum.

Mr. KELLY.—I at once withdraw the statement.

Sir JOHN FORREST. — The honorable member should not have made the statement when there was no foundation for it.

Mr. KELLY.—I think the right honorable gentleman has talked time and again of what we should contribute. I was not eager to do any injustice to him, for I have sufficient of his misdeeds to talk about without trying to attribute to him things which he has not done.

Sir JOHN FORREST.—That would be very much better than inventing.

Mr. KELLY.—The Treasurer has hinted that I have been inventing for a purpose. That insinuation is unworthy of the high office which the Minister occupies. When the deputy leader of the Opposition was speaking on this matter the other evening the right honorable gentleman did something which amounted to a misleading of the Committee, whether intentional or not. I have quoted from the right honorable gentleman, and have shown that he has a memory which is singularly deficient; but, however deficient it may be, I think that at least he might pay the courtesy to honorable members to suppose that they, at any rate, are honest and open in their methods of dealing with these subjects. I did not, however, wish for a moment to imply that he had stated any definite amount. I had a recollection that some such amount had been named by persons who are anxious that in time, not immediately, Australia should realize her Imperial responsibility to that extent.

Mr. EWING. — The honorable member knows that that is simply a calculation based upon population, which no one maintains is reliable.

Mr. KELLY.—I am only putting a case from that particular point for the purposes of argument. I am at one with some few honorable members on the other side of the House to have Australia recognise her responsibility.

Mr. JOSEPH COOK.—The Treasurer has referred to it time and again.

Mr. KELLY.—In any case, I do not wish to bandy words with the Treasurer on

this point, but I shall take the figures as I was giving them when his most uncalled for interjection was made.

Mr. JOSEPH COOK. — The Treasurer would not have denied it if he had not begun to "smoodge" to the Labour corner. That is the plain English of it!

Mr. KELLY.—I confess there is a great deal in what the honorable member says.

Sir JOHN FORREST. — The honorable member is always very polite.

Mr. WILSON.—I beg to call attention to the state of the Committee.

The CHAIRMAN.—Have I permission to ring the bells?

Mr. MAUGER.—I think that Mr. Speaker should be called in.

Mr. SPEAKER, having taken the Chair. [*Bells rung; quorum formed.*]

Mr. KELLY.—At the time when the honorable member for Melbourne Ports seemed to think that it was necessary to waste some five minutes—

The CHAIRMAN.—Order! The honorable member is not in order in saying that.

Mr. KELLY.—I can only say this, that I, at any rate, had no intention to waste time by having Mr. Speaker called in.

The CHAIRMAN.—The honorable member will confine his attention to the subject before the Committee. The fact that Mr. Speaker was called in is not the question before the Chair.

Mr. KELLY.—I was pointing out, when this lamentable break in the proceedings took place, the almost impossibility of any arrangement for any representation of contributors to the Imperial Navy on a Foreign Council of the Empire. Let us presume for the moment—only for the sake of argument—that Great Britain was contributing some £36,000,000 per annum to the Imperial naval war chest. Let us suppose that Australia and Canada were each contributing some £3,000,000; South Africa, £1,000,000; and Newfoundland, £250,000. It is obvious that Newfoundland could not have less than one member; and if we take it that Newfoundland had one, and that the Commonwealth and other sections had their proportionate representation, a very short calculation will show that that Foreign Committee would consist of no less than 173 members. It will be obvious to every honorable member, and to every person who considers the subject, that a Committee of 173 members would not be a workable body. Such a Committee would necessarily have

to deal with most intricate subjects, which would unquestionably be better dealt with under one executive head. This is only another of the difficulties in the way of conceding representation to us in respect of our contribution. However, it is of no use beating the air at the present time with this subject. We are all anxious to see the question definitely faced. We are all anxious to see the naval defence of Australia put on a proper footing. The first step must be to hold an Imperial Conference, specially to consider this Imperial question; and I do regret that the Treasurer, instead of saying a thing one day which, in deference to the clamour of honorable members in the Ministerial corner, he had next day to withdraw, did not definitely commit his Government to the almost non-committal course of seeking a conference on this great question. While the Treasurer seemed to recognise the Imperial necessity for an Imperial Navy, he did not apparently realize the importance of what any ordinary student of these matters regards as an obvious complementary adjunct of a navy, that is, coastal defence. The Treasurer certainly spoke, in his Budget speech, a great deal about coastal defence; but we cannot find, in the Estimates, a single benefit that this Government proposes to confer on an arm which they themselves admit is grievously undermanned, and grievously inadequate for the important duties it may be called upon to execute. Captain Mahan says of coast defence that—

Proper coast defence, the true and necessary complement of an efficient navy, releases the latter for its proper work—offensive, upon the open seas, or off the enemy's shores.

In that passage Mahan lays it clearly down that any country which regards its navy as its first line of defence—as this island continent of ours must do—must regard its coastal defence as complementary to its first line. Without coast defence, the navy is not free to devote itself to its proper work.

Mr. EWING.—Does the honorable member think that he could get out a scheme of coast defence in a few days, or in a week or two?

Mr. KELLY.—I think I could do more than indulge in a little talk, which costs nothing, in a few days or weeks. I think I shall be able to show my honorable friend one thing that he might have done, without committing this Commonwealth to an expenditure of more than a few thousand

pounds, and which would mean all the difference between having our principal seaport and naval base made absolutely secure, and leaving it open to raid by any torpedo-boat. Now, it is quite possible that some honorable members may confuse the idea of carrying on a defensive war by taking the offensive, with the idea that is so hateful to all Anglo-Saxon peoples—of declaring war aggressively. This confusion of ideas is again admirably explained by the same naval authority whom I have previously quoted. Speaking of the United States, Captain Mahan says—

The view that the United States should plan its navy—in numbers and in sizes of ships—for defence only, rests upon a confusion of ideas—a political idea and a military idea—under the one term of “defence.” Politically, it has always been assumed in the United States—

and also in Australia, of course—

and very properly, that our policy should never be wantonly aggressive; that we should never seek our own advantage, however evident, by an unjust pressure upon another nation, much less by open war. This, it will be seen, is a political idea, one which serves for the guidance of the people and of the statesmen of the country in determining—not how war is to be carried on, which is a military question, but—under what circumstances war is permissible, or unjust.

That, I think, clearly shows the difference between waging war offensively for defensive purposes, and declaring war, aggressively and unjustly. Having then decided that coastal defences are a necessary complement of a navy, what are we to understand by coastal defence? We all know that it is not proposed to fortify every harbor or river mouth. Captain Mahan indicates what is required in the way of coastal defence, as follows:—

If the great coast cities are satisfied of their safety, a Government will be able to resist the unreasonable clamour—for such it is—of small towns and villages, which are protected by their own insignificance.

In the general question of preparation for naval war, therefore, the important centres and internal waterways of commerce must receive local protection, where they are exposed to attack from the sea; the rest must trust, and can in such safely trust, to the fleet, upon which, as the offensive arm, all other expenditure for military maritime efficiency should be made.

That clearly sets forth the coastal defence policy that should govern all peoples who depend for their first line of defence upon naval action. What are the important centres in the Commonwealth, which, according to the principles laid down by Captain



Mahan, should be protected? Our important centres of trade are Sydney, Newcastle, and Melbourne—though not in that order. Strategically, Sydney, as the naval base of the British fleet in these waters, is the most important port in the Commonwealth. Other important strategical points are Newcastle, because of its coal, and Thursday Island and King George's Sound, because they are coaling stations which must be kept up to meet the requirements of the Imperial fleet in these waters. Our most important port, both from a trade and a military point of view, is Sydney. Can any one say that the centres I have mentioned are reasonably defended? We know that the coastal defences of a country must vary according to the reliance it places in its navy for its protection. With our Empire everything depends upon the navy. If that arm of our defence collapsed all would be lost. Our coastal defences are subsidiary to the navy, and must be made efficient in order to leave the navy free to do its work. If this be done with absolute efficiency the enemy's fleets will be blocked up in their own harbors, and only single ships, or, at most, very small squadrons will be able to roam the seas, and that only at great risk to themselves. Before the command of the sea can be gained and the enemy's fleets can be penned up in their own harbors, hostile vessels will no doubt roam at large—I do not think they will roam long—and their object will be, whilst avoiding the British squadrons, to do as much damage as they can to our commerce, and our strategical centres. If an enemy's ship, or small squadron, saw a chance of destroying our naval base in these waters it would no doubt be prepared to take considerable risks to carry out its object. On this point, I should like to quote the authority of the British Empire on garrison defence, namely, *Garrison Artillery Training for 1904*, volume II. This authority lays it down that the class of vessels likely to be used in such raids as I have mentioned are—

Torpedo boats, and torpedo-boat destroyers, perhaps accompanied by a larger vessel for the purpose of breaking through obstructions at the entrances to harbors.

We have made no provision for preventing such obstructions, and therefore the larger vessel mentioned would not be required. Hence, we may expect that any attack upon us would probably be made by means of torpedo boats which would be

carried here on the decks of cruisers. As for the torpedo-boat destroyers, they are not likely to pay a visit to these waters, unless they come from one of the naval bases which foreign powers are now establishing in the South Pacific. The same authority points out that the attack would probably be made "by day or night, or in thick and dirty weather." In order to show that this danger from raid is real, I need only remind honorable members that within the last few days it has been reported in the press that one naval power—Germany—is contemplating the building of large commerce destroyers of 15,000 tons and upwards. These ships can only be destined for use on distant stations, and as Germany is devoting her attention to the development of her interests in the South Pacific, it is fair to assume that these commerce destroyers are designed for service in these waters. Each of these ships would carry a torpedo boat of the type to which I have referred, and would be able to make a raid such as has been indicated. Now, what defence should be provided against such an attack? I propose to again quote from *Garrison Artillery Training*, in which it is stated—

As briefly indicated in section II., the form of attack to which the ports of the British Empire are most liable is raid by torpedo boats, with the object of destroying shipping or docks within the defences. The object of such an attack may be attained by one boat getting through the defences unharmed, though the remainder may be sunk in the attempt; and the essence of success lies in surprise. It is therefore probable that a torpedo boat attack would be made either at night, just at break of day, or in thick weather; and it is quite possible that it might take place even before the formal declaration of war. Under these circumstances it will be evident that the defence must be so organized that surprise shall be impossible, and that when an attack is made the probability of any boat getting through unharmed shall be a minimum.

I may mention here that the necessity for preventing surprises affords the explanation of the desire of the late General Officer Commanding that we should have at least two reliefs for our quick-firing armament—

Since the conditions which obtain at every port are more or less different, a set scheme cannot be laid down; but the general principles can be enunciated, and these must be applied locally to the preparation of schemes for defence. The defences provided against torpedo boat attacks are generally as follow:—Electric lights, quick-firing guns, and, in some cases, booms and mines. Electric lights are usually arranged so as to illuminate as brightly as possible the whole water

area for a distance of at least 1,000 yards from the narrowest part of the entrance to the harbor, or from the outer edge of the boom if one exists.

We have made no preparations for the construction of a boom at any of our ports—

In advance of this illuminated area it is often possible to place other lights to throw a beam across the entrance, so that any boats approaching the harbor must be seen as they pass through. These are termed sentry beams.

We have no preparation for sentry beams so far as Sydney is concerned—

and are placed sufficiently far in advance of the illuminated area to allow of due warning being sent from them to the inner defences before the boats can pass over the intervening distance.

The main gun defence is concentrated on the illuminated area, and it is here that the torpedo boats are to be sunk or disabled; the sentry beams are not fighting lights, but merely for purposes of warning, and even if guns are mounted in such positions that they can fire on boats passing through them, too much dependence must not be placed on their fire for the purposes of defence.

With respect to armaments, this authority lays down the following:—

Armaments.—The 12-pr. Q.F. is the gun mostly used for defence against torpedo boat attack; 4·7-inch Q.F.'s will be found in some places mounted for this purpose, and where this is the case they will be treated, though not classed, as Light Q.F.'s.

Then I recommend this passage to the Vice-President of the Executive Council, as representing the Minister of Defence—

6-pr. Q.F.'s also remain in many places, but they cannot be relied upon to stop a torpedo boat.

Yet these are the only guns that we have in the port of Sydney in the way of anti-torpedo boat armament! I have asked the Minister whether the light, quick-firing armament in Sydney is efficient for its purpose, and he has not seen fit "in the public interest" to answer the question. Now this authority to which I refer definitely lays it down that 6-pr. quick-firing guns cannot be relied upon to stop torpedo boats, and this authority further lays it down that raids will in all probability be undertaken by torpedo boats. Therefore I say that, on the best authority in the British Empire, our principal naval base is at the mercy of the first raider who pays it a visit. Of course, other guns besides light, quick-firing guns are necessary for the protection of a place of the importance of Sydney. If we had only light quick-firing guns, and no others, raiding ships could afford to take what pepper-might get from these light guns,

ly.

and come in in spite of them. If we had only artillery of different calibres and no submarine mine fields, a fairly powerful ship could still run the gauntlet of our batteries, and, getting inside, do what damage she afterwards could. Consequently, we require a definite system of mine fields, light Q.F. guns to protect them, which would also be anti-torpedo boat guns, and heavier guns to keep ships at a respectful distance. I have already shown the Committee that at Sydney, at any rate, we have no quick-firing guns of the type laid down by the best authority extant as essential for the purposes of defence.

Mr. WEBSTER.—What have we got in Sydney?

Mr. KELLY.—I do not wish to waste the time of this Committee, and I am therefore trying to curtail my remarks as much as possible. I may say that we have a fair number of guns of heavier kind, but we have only five guns of comparatively up-to-date type. We have a considerable number of guns on hydro-pneumatic mountings, which are still hard-hitting guns, though there are some who do not think them up-to-date. Still they are hard-hitting guns, and I am not complaining of them. The guns which we require at Sydney at once, and without waiting for another year, or to enable the Ministry to consider the serious expenditure necessary to put our coastal defences generally on a sound footing are 12-pr. quick-firing guns. These guns can be landed in Australia, including the cost of mountings, at £1,200 a-piece, so that the defence of Sydney could be put in something like reasonable order, so far as armament is concerned, for a very small outlay, which, however, the present Ministry do not seem to be prepared to make.

Mr. AUSTIN CHAPMAN.—What would the honorable member call a small outlay?

Mr. KELLY.—Six or eight of these guns might be secured, but probably ten would be better, and with an expenditure of from £8,000 to £10,000 on this armament, the defence of Sydney might be made fairly secure; and though it would not be as it should be, it would not be the scandal which it is at the present moment.

Mr. WILSON.—Would not the honorable member protect any other port than Sydney?

Mr. KELLY.—I am dealing with Sydney only in order to show, by the absolute unpreparedness of one city, the condition of

all the others, as there is not one other in a better position than Sydney.

Mr. STORER.—Money was voted for the defence of Hobart last year, and the late Government would not spend it.

Mr. KELLY.—I have shown the position of Sydney so far as guns are concerned, but in the matter of men our position is even more scandalously unprepared. The men we have are good. The results of their firing have been good. They have devoted themselves cheerfully to the work they have had to do, and that work has been over and above their ordinary work as garrison soldiers. But there are absolutely too few of these men. I have asked questions in this House on the subject, and the answers that I have received to those questions prove conclusively that, even with the defective armament we have in Sydney, we have not enough men to man the guns we already have. It is a public scandal that such a state of affairs should be allowed to continue. The Prime Minister, in an interjection during the course of a previous speech of mine dealing with this matter, admitted that during the last few years he, at any rate, has known of our serious unpreparedness and lack in this respect. I do say that it is by no means a tribute to the honorable and learned gentleman's patriotism that he is prepared, now that he is in power, to allow this condition of unpreparedness to continue for a further period of twelve months. What is absolutely essential, so far as the *personnel* of the Sydney defences goes, is that we should have at least sufficient men to man the guns we already have, and an additional relief for our quick-firing guns. When honorable members are informed that probably one relief for the quick-firing guns could not work them for more than seven minutes at a stretch, they will recognise the supreme necessity for having more than one relief for those guns. Speaking in an ordinary sense, and not in a technical sense, the bald fact is that we have not men to man the guns we have got, and that this is a most serious state of affairs, and one which the House should not allow to continue. In the matter of guns we are deficient; and we have not enough men to man those we have. I propose now to deal with the question of the ammunition for the guns we have, and the possibilities for practice afforded to the guns' crews. In Sydney, it is a peculiar thing that these ineffective 6-pr. quick-firing guns, on which we have

to rely as anti-torpedo-boat guns, have never yet been fired in practice. They point over the harbor of Sydney, and cannot, therefore, be used on account of the damage that might be done to passing vessels. We have no practice battery of light quick-firing guns in Sydney, as we should have, and as these guns cannot therefore be used in practice, they cannot be as effective as they otherwise would be when the time comes for their real use. The next point is that the only really up-to-date guns we have of heavier ordnance have never been used in practice. These guns are such that black powder cannot be used in them. To make use of them cordite ammunition is required, and it is a singular thing that this Commonwealth, which can afford to meet the expense of picnics all over the country, cannot afford to provide cordite ammunition for its modern guns to enable them to be used in practice for the crisis of war.

Mr. DEAKIN.—It is not a very slight outlay.

Mr. KELLY.—I only wish the Government to provide 400 rounds for each gun, which will cost nothing like the expenditure which is proposed in connexion with the field artillery, an expenditure which cannot be made use of until the Imperial Navy and our coastal defences have failed. The Imperial Navy is the first line of our defences; the second line is our coastal defences; and, lastly, we have to fall back on our field forces. The Government are prepared, lightheartedly, to spend £70,000 or £80,000 on field artillery, although that expenditure is not so urgently required as is expenditure on ammunition for the guns of our coastal defences, the complement of which—the Navy—must have failed before the field guns can be called into use. I think that the defences of Sydney are in a worse condition than that of those of Melbourne. They certainly are worse off in the matter of light quick-firing guns, and the picture I have drawn is by no means overdone. It is, indeed, only an outline of the true position. The Committee should not tolerate the continuance of this state of things. Had I time, I could show that our submarine vote is such that the submarine mining force in Sydney has to devote itself to either the training of its men or the upkeep of its material; it cannot carry out both these essential services. In respect to guns, men, ammunition, and practice, the policy of the

Government denudes the great city of Sydney and other large cities of the Commonwealth of that protection to which such important centres of population are entitled. It is clear that an island continent must depend for its defence on naval action. That fact was put clearly before the House in 1901—so that honorable members have no excuse for apathy in connexion with it—when the memorandum by the Colonial Defence Committee on the Defence Forces and Defences of Australia was printed for the information of the Parliament. This memorandum lays it down first that—

The maintenance of British supremacy at sea is the first condition of the security of Australian territory and trade in war. Such supremacy implies that no organized attack will be directed against any part of Australia, and that the maritime communications between Australian ports and the rest of the world will be kept free from sustained interruption.

The report goes on to point out the necessity that exists, in spite of this Imperial naval effort, for coastal defences against raids—

It is recognised, however, that while His Majesty's ships are engaged in destroying or disabling the enemy's squadrons they may not always be in a position to prevent raids by hostile cruisers on places of such importance as to justify, in the opinion of the enemy, the very considerable risks which an attack on them would involve.

This statement shows that although, while the Imperial Navy can dispute the command of the sea, Australia will be secure from invasion, yet we shall at all times be subject to the marauding visits of raiding cruisers, and goes on to point out that—

As such attacks reveal the position of the raiding vessels to the British ships, whose duty it is to bring them to action, they must necessarily be of a hasty and fugitive character.

There, in a nutshell, is the military position of the Commonwealth. We must rely on the Navy to save us from a national calamity, by which I mean the invasion or occupation of our territory. We must establish defences at all important coastal towns, first to free the Navy to pursue unfettered its operations upon the seas, and, secondly, to prevent any chance cruiser of the enemy from doing serious damage to our all-important and vital centres. It is, therefore, the duty of the Commonwealth Government to examine into the conditions and circumstances under which Australian naval protection is assured by the mother country's self-denying and practically unassisted efforts; to see whether the mother

*Mr. Kelly.*

country will be able to continue bearing unassisted this burden; and to endeavour to arrive at some just basis of Imperial co-operation and defence which will, in time of war, insure that the whole Empire shall put forward its united strength for the good of all its members.

Mr. WEBSTER.—Is the honorable member in order in reading his speech?

The CHAIRMAN.—It is not in order for an honorable member to read his speech.

Mr. KELLY.—I should have thought that you, sir, could see that I am not reading my speech. I am naturally keeping to my notes, because I am traversing a many-sided subject, and I do not wish to be led astray into by-paths, or to deal out of their order with the various questions to which I am directing attention.

The CHAIRMAN.—I accept the honorable member's statement.

Mr. KELLY.—The first duty of this Government, and it is a duty which they can carry out without consulting any other part of the Empire, is to put our coastal defences in order. We have seen in the Treasurer's speech a reference to the necessity for doing so, but we look in vain through the Estimates for any earnest that the Government will act according to their expressed intention.

Mr. DEAKIN.—The Estimates are practically those which were prepared by the preceding Government.

Mr. KELLY.—I am not blaming this Government for the present position of the defences of Australia; but it is clearly their duty to give an earnest of their anxiety to put the defences on a proper footing.

Mr. DEAKIN.—That is what we are doing.

Mr. KELLY.—I am glad to have the Prime Minister's assurance that he will put these defences on a safe footing. To put the coastal defences of Australia in proper order will require the expenditure of a considerable amount of money. Mr. Goschen, when Chancellor of the Exchequer, once said—

Every Chancellor of the Exchequer for the last ten years has been burdened with the ever increasing burden of the old man of the sea. I do not complain of it, because, in the first place, I believe the expenditure to be necessary. I know that it is far more economical that we should incur it at a time when we have leisure to think out a systematized plan on which it can be made, than to defer works which we ought to do ourselves, to be attempted some day, perhaps too late, by our successors, and to allow to be

passed votes of credit amounting to enormous sums, most of which might be too late for the object for which it would be required.

That I think is so clearly common-sense that this Parliament and the country will consent to act in the same way. Almost as much as the money, what is required for the Commonwealth is a proper appreciation of the way in which it is best to expend the money we have. I do not think for one moment that the money we are spending at present is spent with the best possible result, and in support of that view, I shall give a few instances. On the present Estimates—and I do not blame the Government for this—an amount is set aside for pom poms for our field forces; and the same amount would put in fair order some of our coastal defences, which is the branch that most wants putting right, and which must come into action before the pom poms can be ever required. Another illustration of how the money is not spent to the best advantage in defence matters, is one which will appeal to all honorable members who are concerned in votes. I refer now to rifle clubs—and I have myself told the clubs in my electorate that it is essential that our coastal defences shall be made efficient before we can consider grants for the third line of defence. There is, nevertheless, not the slightest use in voting large sums for rifle clubs on the supposition that those clubs may be afterwards used as a sort of general conscriptive land force, if we do not provide the members with uniforms. I am not asking the Government to provide these uniforms, until the more necessary work has been done; I am now merely pointing out that all the money spent on rifle clubs with that object in view will be wasted if uniforms are not provided. Without uniforms, the men would, if captured, be shot at sight as *Franc Tireurs*, and the knowledge of that, as all honorable members will recognise, would impair the usefulness of the rifle clubs if they were ever called upon for service.

Mr. DEAKIN.—The Boers were not shot in that way.

Mr. KELLY.—The British did not so use the Boers, but other powers have not been so extremely humane as we were in South Africa. The history of the Franco-German war shows what treatment we must expect if ever we are brought into conflict with a European power. The needs of Australia, from a defence point of view, approximate very closely to the needs of every other section of the Empire. Each and all

of the Possessions are bordered by and most easily attackable from the sea, and it is obvious that each and all must have the same defence; and that being so, they must all join together for a common effort. That fact makes it clear that unless some action is taken by this and the Governments of other self-governing possessions, there must eventually grow up within the Empire a series of separated local navies, none of which would be in a position to be combined for the common good, and all of which would be open to be crushed in detail by whatever power made a serious effort to gain command of the sea. There is a plain duty before the Government, and it is a duty which, if properly carried out, will make the existence of this Government a matter for congratulation by Australia in time to come, as a Government that initiated a new principle, and started a new epoch in the history of the Empire. The same naval historian I have before quoted, says—

Elements long estranged, but of the same blood, can in no way more surely attain to community of interest and of view than by the development of an external policy, of which the benefits and the pride may be common to all. True unity requires some common object around which diverse interests may cling and crystallize. Nations, like families, need to look outside themselves, if they would escape, on the one hand narrow self satisfaction, or, on the other, pitiful internal dissensions.

The Government have a double opportunity in this regard. The Commonwealth of Australia is divided, State from State; our local jealousies are becoming more embittered day by day, mainly, I must say, owing to the actions of the Commonwealth Governments, and partly to other causes. The development of an external policy—and what external policy could be so worthy as a policy of common defence for all?—will unite the several parts of the Commonwealth, until in time they become, not, as they are at present, six States banded together by a legal compact, but six States welded into one united people.

Progress reported.

## PAPERS.

MINISTERS laid upon the table the following papers:—

Memorandum by the Minister of State for Defence on the Estimates of Defence Department for the financial year 1905-6.

Notification of the acquisition of land under the Property for Public Purposes Acquisition Act, at Randwick, New South Wales, as an addition to the Rifle Range.

House adjourned at 10.49 p.m.

## Senate.

*Wednesday, 30 August, 1905.*

The PRESIDENT took the chair at 2.30 p.m., and read prayers.

### FIRST PARLIAMENT: MR. TOM ROBERTS' PICTURE.

Senator CROFT.—I desire to ask the leader of the Senate, without notice, whether the Government will arrange to have the Queen's Hall thrown open to the general public during such hours on Saturdays and Sundays as will give all sections of the community who may so desire, an opportunity to inspect the picture of the opening of the first Commonwealth Parliament?

The PRESIDENT.—I may say that an arrangement will be made for the opening of the Queen's Hall on Saturdays, Sundays, and Mondays.

Senator PLAYFORD.—I understand that the picture is exhibited in the Queen's Hall so that it may be viewed by members of Parliament, and that, subsequently, it will be sent to the National Art Gallery, where it can be seen by the public. Of course, the President and Mr. Speaker can make an arrangement for the picture to be seen in the Queen's Hall on the days mentioned by the honorable senator.

The PRESIDENT.—In further answer to the question I would say that I have received from the Prime Minister a letter to the effect that the picture will only remain in the Queen's Hall for fourteen days, and that during that period an arrangement will be made so that the public can see it on Saturdays and Mondays.

### PUBLIC SERVICE CLASSIFICATION.

Senator STANFORTH SMITH.—I desire to ask Senator Keating, without notice, when an opportunity will be given to continue the discussion on the classification of the Public Service. I understand that he stated previously that every opportunity would be afforded to honorable senators to give full expression to their views.

Senator KEATING.—I would like the honorable senator to give notice of the question.

Senator STANFORTH SMITH.—Do I understand that the discussion is to be resumed on a date far ahead, and that the Commissioner will not have the benefit—if

it is a benefit—of the views of those honorable senators who have not yet spoken on the subject?

Senator KEATING.—It was anticipated that the time given on Friday last for the discussion of the subject would be sufficient. As I intimated previously, it is not the desire of Ministers to prevent a complete discussion of the scheme, and if before to-morrow I can ascertain with any degree of certainty whether there are a number of honorable senators who will be ready to continue the discussion at an early date, I shall inform the Senate then what steps we intend to take to meet their wishes.

### PAPERS.

MINISTERS laid upon the table the following papers:—

Notifications of the acquisition of land for defence purposes at Randwick, New South Wales, and, by exchange, of a site for a post-office at Murrin Murrin, Western Australia.

Memorandum by the Minister of Defence on the Defence Estimates for the financial year 1905-6.

### SUPPLY BILL (No. 2).

Assent reported.

### EVIDENCE BILL.

Assent reported.

### SERVICE AND EXECUTION OF PROCESS BILL 1905.

Assent reported.

### LIFE ASSURANCE COMPANIES BILL.

The PRESIDENT reported the receipt of a message from the House of Representatives stating that it had agreed to the amendment made by the Senate in this Bill.

### MAIL CONTRACT: WESTERN AUSTRALIA.

Senator PEARCE asked the Minister representing the Postmaster-General, *upon notice*—

1. In reference to the question asked on 23rd August *re* Mail Service on Great Australian Bight eastward from Albany, and the answer thereto, have the Commonwealth Government acted on the recommendation of the Postal Inspector, who reported on this question namely, that "the State Government should be approached on the question of subsidy"?

2. Will the Government take early action in the matter so as to arrive at an early decision on the matter to enable tenderers to be given full notice, and full competition invited?

**Senator KEATING.**—The answers to the honorable senator's questions are as follows:—

1. Yes, the report of the inspector has been communicated to the State Government of Western Australia through the Department of External Affairs.

2. All preliminary action has been taken, particulars of the tenders were advertised in last week's *Gazette*, and full competition invited. A decision will be arrived at when the alternative tenders are received and considered.

## PUBLIC SERVICE: OUTSIDE INFLUENCE.

**Senator PEARCE** asked the Minister representing the Postmaster-General, *upon notice*—

In reference to the replies given by the Minister to the questions asked by Senator the Hon. H. Dobson on Thursday, 24th August, relative to Commonwealth public servants interviewing or writing to members of Parliament; does the Minister consider it to be a breach of the regulations referred to if—

- (a) A public servant acting as an official representative of a public servants' organization interviews a member or members of Parliament?
- (b) A public servant acting as aforesaid writes to members of Parliament on matters affecting the service?

**Senator KEATING.**—The answers to the honorable senator's questions are as follow:—

The answers given had reference to the individual cases. The regulation is as follows:—

“Officers are prohibited from seeking the influence or interest of any person in order to obtain promotion, removal, or other advantage. Any officer who considers that his claims for promotion or consideration have been overlooked may write a statement of his claims to the chief officer, who shall forward without delay such statement with any remarks he has to make thereon to the permanent head, who shall transmit it to the Commissioner for consideration.”

What actually constitutes a breach must depend upon the circumstances of each case. It would, however, be a breach of the regulation for any public servant acting individually or as an official representative of a public servants' organization, whether by interview or letter, to seek “the influence or interest of any person in order to obtain promotion, removal, or other advantage.” The above regulation provides a procedure for redress.

## TARCOOLA POST OFFICE.

Motion (by Senator MATHESON) agreed to—

That a return be laid on the table of the Senate showing the annual revenue collected by the Tarcoola Post-office from telegraphic business since it was opened.

## LAPSED BILLS.

**Senator PLAYFORD** (South Australia —Minister of Defence).—I move —

That the report of the Standing Orders Committee relating to Lapsed Bills be adopted.

If honorable senators will look at the present standing order on this subject they will find that the principal alteration which has been recommended by the joint committee of the Houses is that when a Bill, originated in say, the Senate, and forwarded to the House of Representatives has not been finally dealt with there when the Parliament is prorogued that House cannot in the following session resume its consideration without a resolution from the Senate requesting it to do so. Precisely the same procedure is recommended when a Bill, originated in the House of Representatives is pending in the Senate when the Parliament is prorogued. Therefore, under the proposed new standing orders one House cannot proceed with the consideration of a lapsed Bill without the consent of the originating House. All the other recommendations are simply made to replace the present standing order, but in a more complete form.

**Senator Sir JOSIAH SYMON** (South Australia).—This report involves one or two considerations, which I think we ought not to overlook. We ought not to adopt this motion as a matter of form. One very grave element, as I think, should have direct consideration from us before we do anything. The present standing order enables a Bill, whose progress was interrupted by the close of the previous session, to be resumed on a resolution of the Senate or the other House—because the same practice prevails in either branch—at the point it had reached at the time of prorogation. The effect of that was to withdraw entirely from the House in which the measure originated, and from which it passed, all further opportunity of interference with that Bill, unless, of course, some amendment was made which required consideration at the hands of the other branch of the Legislature. So that, in point of fact, no opportunity was given for any possible change of opinion or reconsideration by the other Chamber, the necessity for which might have arisen in the interval between the prorogation and the resumption of the proceedings of Parliament. Then, again, it was a matter for debate whether a principle which was certainly at variance

with the long course of Parliament Government in England, upon which our proceedings are founded, should be adopted. There can be no doubt whatever that some provision of this kind is very useful as facilitating legislation and saving, in many cases, a great deal of time.

Senator GUTHRIE.—Waste of time.

Senator Sir JOSIAH SYMON.—I am not sure that we should call it altogether waste of time, because I am one of those who do not believe in hasty legislation; and the more opportunities are given for the consideration of important measures by Parliament the better. Such reiterated consideration does not by any means necessarily involve waste of time.

Senator MILLEN.—It often prevents the necessity for amending legislation.

Senator Sir JOSIAH SYMON.—I do not sympathize with those who constantly criticise and clamour against the proceedings of Parliament as a waste of time. I think that the best things are done very often, not on first, but on second thoughts. Therefore it is not an idle thing to say that we should not adopt, as a matter of course, any procedure that will unduly cut short the consideration of any measure. But while holding that view as a matter of principle, I freely admit that in regard to a large number of measures which are more or less uncontroversial, such a standing order is exceedingly desirable. In measures that involve matters of controversy it may also be desirable; but I gravely doubt, and always have doubted, whether a provision such as exists in our present Standing Orders was desirable, or ought to be applied generally to all Bills, and particularly to Bills of a highly controversial character. Although we do not allow our standing order relating to lapsed Bills to apply where an election has intervened, there are occasions, and there are Bills to which, perhaps, it might not be equally applicable. Take, for instance, changes of Government. You have, say, a Bill introduced in one House, and even passed through that House, under the leadership of a Government, some members of which may disagree with the Bill as a matter of policy, but may, nevertheless, from a natural feeling, prefer to let things take their course, the Bill being in the other Chamber; or, to use a common phrase, to "let sleeping dogs lie." They may prefer to let the Bill go through without feeling that they are taking that

Ministerial responsibility in respect to it which they ought to take. The old standing order, it seems to me, did not remove the disadvantages of the course to which I have referred, and was objectionable in many respects. It was objectionable in regard to the point which I have already casually indicated, that it deprived the House in which the Bill originated of any opportunity for reconsideration, and of saying whether or not they were prepared to take the same course in regard to the measure as they took in the previous session. The new standing order which is recommended by the Joint Standing Orders Committee is a distinct and great improvement from that point of view. If honorable senators will look at the report of the Committee they will find that the position is changed. The House in which a Bill originated, and from which it had gone to the other branch of the Legislature, will have an opportunity, not in the ordinary way of dealing with Bills but by resolution, to say whether it desires that the Bill should be proceeded with from the point which it had reached in the previous session. That gets rid of the inconvenience—of the disability, in fact—thrown upon the House where the Bill originated, by the old standing order; it leaves the House still in possession of the power to say whether or not it wishes the Bill to be proceeded with at the point which it had reached at the time of the prorogation, and to declare if it does not wish to have it proceeded with in that way, that it shall be reintroduced. There is no doubt whatever that a very great improvement is made to that extent. But there is one class of Bills which I think we ought to have fully in our minds before we adopt this report without qualification. I refer to Bills for the appropriation of revenue or moneys. If Parliament desires that this procedure shall apply equally to Bills appropriating revenue or moneys, as well as to all other Bills, that ought to be distinctly in our minds now. The point should be raised, as I propose to raise it, whether it ought so to apply; so that at some future time it may not, when a concrete instance occurs, be raised as a point of order whether the standing order ought to extend to measures of that character. I think that it is a matter for congratulation that, through the good services of the Standing Orders Committee, we are able to discuss the matter



quite irrespective of any measure just now pending; that we are able to deal with it as a question concrete as regards procedure, but abstract in that it does not concern any measure upon which feeling or judgment may run one way or the other. The point that I wish to bring under the notice of honorable senators is whether we are at liberty, by a standing order, to deal with such Bills in this way, having in view section 56 of the Constitution. The point was raised by Senator Turley some time ago in connexion with a Bill that was then in the hands of the Senate. My point is not whether we should not make Standing Orders regulating our own procedure, but whether we may by these Standing Orders, affect—either by way of repeal or by way of conflict—a provision of the Constitution, such as section 56. We must remember that the Constitution is an Imperial Act of Parliament. It is an Act of Parliament, above all others, in the first instance, approved by the people of Australia, so far as regards its substance, its provisions, and its form. But it receives its validity as a piece of legislation from the Imperial Legislature. When it was passed, there was, of course, no such standing order in our books of procedure as that which we are now considering. Such a standing order was not in contemplation by the Imperial Legislature. What was contemplated when our Constitution was passed, was that the passage of a Bill appropriating revenue or moneys should take place in one session. There was no other procedure in view. There was nothing to qualify or modify that parliamentary situation one whit. Section 56 embodies what, so far as the Imperial Parliament is concerned, was really a standing order. But it is no standing order of ours. It is a part of our Constitution. That is what creates the difference. In Todd's *Parliamentary Government*, volume 1, page 765, I find this statement as to the origin of messages regarding the appropriation of revenue:—

Hitherto it has been customary to permit Bills of this description to be introduced by private members, without reference to the Government; but this practice led to so much irregularity that, in the session of 1866, a new standing order was adopted, requiring the recommendation of the Crown to be given before the House will entertain any motion that will involve a charge upon the public revenue whether direct or out of moneys to be provided by Parliament. This order is intended to place the responsibility for such Bills,

if not their initiation, in the hands of the Government.

That was the origin of the standing order as it exists in the House of Commons; and although in form, of course, a message from the Crown is a recommendation of revenue, it really is a means by which the Executive Government exercises its responsibility. In this sense it is a remnant of the constitutional doctrine that when the Crown wants money it has to come to Parliament, so to speak, cap in hand, and ask for it. It is not a reflection upon Parliament, nor does it involve any lowering of the powers and position of Parliament. It is rather a recognition of the control of Parliament, and the control of the Executive in regard to the voting and expenditure of public money. Thus no member of Parliament, in his private capacity, is entitled to ask Parliament to vote money without the authority of the Executive Government. This section of our Constitution really is an embodiment of a principle which, so far as I am aware, is not embodied in any other constitutional instrument of like standing and power. The same principle is embodied there, and the same idea that was intended to be given effect to, namely, that there should be a message before a Bill of that character is passed—that is, passed by either House. Before it is passed by the House of Representatives there must be a message. Then, after it leaves the House of Representatives and comes to the Senate, if it comes during the same session, the message received in the House of Representatives, in which the measure originated, holds good for both Houses, and there is a message antecedent to the passing of the Bill in each House, which satisfies the terms of section 56 of the Constitution. But if we apply the standing orders proposed to Bills involving the appropriation of public revenue or moneys, we shall require two messages in different sessions. I am not concerned to say whether two messages for one appropriation would be illegal, unconstitutional, or anything of the kind, but honorable senators will see that the fact that in such circumstances we should require two messages, which are not contemplated by section 56, shows that the proposed standing orders are in conflict with the object of that provision of the Constitution. It is quite clear from section 56 that only one message is contemplated. It is quite clear from that

section, and from the history of similar provisions, that it is contemplated that such Bills as these shall pass through Parliament in one session.

Senator GUTHRIE.—Some of the States of Australia have legislated in a different direction, and probably the members of the Convention, in framing the section in question, had that legislation in their mind.

Senator Sir JOSIAH SYMON.—Perhaps my honorable friend will tell me what he is alluding to.

Senator GUTHRIE.—The Lapsed Bills Act of South Australia, for instance.

Senator Sir JOSIAH SYMON.—That has nothing to do with this. If section 56 of the Constitution is infringed in any way by our Standing Orders it would be equally so by provisions such as are contained in the Act of Parliament to which the honorable senator refers. We cannot alter the Constitution.

Senator GIVENS.—If a money Bill were reintroduced it would require another message, and what is the difference.

Senator Sir JOSIAH SYMON.—Yes, but it would be a new Bill.

Senator GIVENS.—It would be just the same old Bill.

Senator Sir JOSIAH SYMON.—My honorable friend must see that, while the purpose might be the same, it would be a new Bill, and as a new Bill it would go through all its stages in the ordinary way. The simple question for us is—Does this provision about Lapsed Bills come in conflict in any way with section 56 of the Constitution, or is it inconsistent with the spirit and intention of that section? If it is, are we entitled to give effect to the standing order as applied to Bills contemplated by that section? In my view every Bill appropriating revenue or moneys ought to be introduced with its message in the ordinary course before passing in the House of Representatives if it is introduced there, and should be passed through all its stages during the same session, and the standing orders before us ought not to be made applicable to Bills of that character. As a member of the Standing Orders Committee, I do not wish it to go abroad, or to be supposed for a moment that I agree that the new standing orders proposed are not inconsistent with the provisions of section 56 of the Constitution. I think they are. I should hesitate very much even if these standing orders were passed in vot-

ing for a Bill involving the appropriation of revenue or moneys in another session from that in which it was introduced in the other branch of the Legislature or here. We should certainly deal with the matter with our eyes open, and should not leave the difficulty to be a matter of the construction put on these standing orders. Therefore, in order that the question may be discussed I move—

That after the word "Bills," the following words be inserted:—"except a Bill for the appropriation of revenue or moneys."

Amendment not seconded.

The PRESIDENT.—In reference to this question, I wish to make a few remarks, not as President, but as Chairman of the Joint Standing Orders Committee. With respect to the point raised by Senator Symon, we should always bear in mind the intention and object of section 56 of the Constitution. That section takes away powers from Parliament, and increases the prerogatives of the Crown, by providing that Parliament cannot pass certain measures unless the Crown consents. I quite agree that is it a good section, and I am not saying anything against its object, because it gives to the Ministry of the day power over the expenditure of the Commonwealth. They are responsible for seeing that revenue and expenditure balance. I am, therefore, quite willing to admit that they ought to have the power given to them by section 56. But we must always bear in mind that that section is a curtailment of the powers of Parliament, and that being so, I do not think we should further curtail the powers of Parliament, except as provided by that section. Senator Symon has moved an amendment which has not been seconded, but the honorable and learned senator's speech is to the effect that we ought to except from the provision of the proposed new standing orders Bills for the appropriation of revenue or moneys. I gather from his speech that Senator Symon desires to provide that one House of Parliament shall not, under a lapsed Bills standing order, discuss a Bill introduced in the other House of Parliament in a former session.

Senator Sir JOSIAH SYMON.—Only in that particular case.

The PRESIDENT.—In that particular case, of course. I admit at once that I am not in sympathy with these standing orders concerning lapsed Bills. I hold that the greatest possible consideration should

always be given to any proposed alteration of the law. I do not hold that it is a waste of the time of Parliament to consider or reconsider any Bill proposing an alteration of the law. In one of the old Greek statutes it was provided that any member of the Legislature who proposed an alteration of the law should do so with a halter round his neck, and that if the proposed Bill did not pass he should be hung. I think that is going a little bit too far. I am not prepared to go to that extent, but at the same time I do hold that we should have the greatest possible consideration of every proposal involving an alteration of the law. However, I am in this matter in a minority. I was in a minority in the Standing Orders Committee. The draft of the Standing Orders under which we were working made no provision with reference to lapsed Bills, and when a standing order for that purpose was inserted by the Standing Orders Committee, I voted against it. When the standing orders now proposed were approved I voted against them, and I believe I was the only member of the Joint Standing Orders Committee who did so. However, I bow to the will of the majority, and I shall be prepared to carry these orders into effect if they are adopted. I am willing to admit, and I do admit, that the new standing orders are a great improvement on the old standing order, because they provide that no Bill shall be passed without the concurrence of both Houses given in the same session. I am unable to draw any distinction between Bills which appropriate revenue and Bills which do not. I understood Senator Symon to say that Ministers who do not agree with a particular measure do not take Ministerial responsibility. I may be wrong, but that is what I understood the honorable and learned senator to say, and if I am right, I entirely disagree with him.

Senator Sir JOSIAH SYMON.—No, I did not say that.

The PRESIDENT.—I took the words down at the time, and I thought that was what the honorable and learned senator said.

Senator Sir JOSIAH SYMON.—What I said was that there might be Ministers who would not agree with a particular measure, and who would have no opportunity of dealing with it if it were proceeded with in another House.

The PRESIDENT.—Exactly. I say that if a Minister who disagrees with a

measure joins with his colleagues in its introduction, he must take the same responsibility with respect to it as other members of the Ministry who do agree with it. The Ministry is a quasi corporation, and an individual Minister must bow to the will of the majority of his colleagues or resign. I say that any Minister who agrees with the policy of the Government to which he belongs in introducing any Bill and passing it, takes the same responsibility for the measure as other members of the Ministry, whether he agrees with it or does not. The point which Senator Symon made seems to me to be narrowed down to this: That if we pass these standing orders as recommended by the Joint Standing Orders Committee, it might sometimes be necessary to have two messages from the Governor-General. Why should we not? What objection is there to that? Suppose we did have two messages. All that they would amount to would be an indication that the Ministry of the day concurred in the expenditure proposed. All that section 56 of the Constitution requires—and this is the object of that section—is that it shall be clear that the Ministry concurs in the proposed expenditure. I do not think myself that two messages are necessary, but that may be a matter of opinion. There are only three possible meanings of the word "passed" as used in section 56 of the Constitution. It might mean finally passed by both Houses of the Parliament, but I understand that that is not contended by any one. It might mean passed by either House of Parliament; or it might mean passed by the House in which the Bill originated. I think it has the latter meaning. But suppose I am wrong, and suppose it has the second meaning, and that the Bill must be passed by either House. Then two messages will meet the case. I cannot see that from any point of view the objections submitted by Senator Symon are well founded. I think the Senate would do well to adopt the recommendation of the Joint Standing Orders Committee, although, as I have said before, I am not in sympathy with standing orders in reference to lapsed Bills. If we look at the practice in Great Britain, and at the Constitutions of the six States included in this Commonwealth, we shall find that so far as Great Britain is concerned, we can obtain no information, because the Standing Orders in Great Britain provide that the House of Commons shall not proceed with a measure

appropriating revenue until after a message has been received—the word used is not “pass.” So that the message must precede the consideration of such Bills by the House of Commons. In four of the States, New South Wales, Tasmania, Victoria, and Queensland, the same terms appear in their Constitution Acts. They cannot proceed with a Bill without a message. The message is the first preliminary. Then, if we take the South Australian Constitution, we find—

It shall not be lawful for either House of the State Parliament to pass—

That is clearly indicating either House—

—until a message shall be received from the Governor recommending the House of Assembly to pass the Bill.

That is quite clear and definite. Neither House can pass such a Bill unless the Governor first recommends the Bill to the House of Assembly. If we turn to Western Australia, we find that in the case of that State, it is provided that “it shall not be lawful for the Legislative Assembly to adopt or pass,” this clearing indicating the particular House. I give these illustrations to show that the matter is definitely provided for in all the seven Constitutions to which I refer—in the case of the British House of Commons, and the six Parliaments of the State. It is quite clear that in the case of the Federal Constitution, the Drafting Committee—because this section was redrafted by that committee—in their desire for conciseness, perhaps, erred a little too much on the side of rejecting what they considered to be superfluous words. The Drafting Committee altered this section by leaving out the words “either House”; and if those words had not been left out, the matter would have been quite clear. However, whether we have to interpolate into section 56, the words “either House,” or whether we are not to do so, does not seem to make any difference. In the one case one message is sufficient, and in the other case two messages are required. But what does that matter? Why should not a second message be sent, which implies, or provides, that the Ministry in the second session concur in the expenditure. That is all that is required; that is the object of the section, and if that is done, whatever interpretation is adopted, we shall be acting within the intention of the Constitution in adopting these standing

*The President.*

orders. I think that the criticisms of Senator Symon are not well founded. Of course, in that I may be mistaken, as anybody may be mistaken; but it seems to me that we ought to adopt the recommendation of the Standing Orders Committee.

Senator Lt.-Col. GOULD (New South Wales).—I am glad to hear, Mr. President, that although you were adverse to these standing orders originally, you are now of opinion that they had better be adopted, in view of the strong recommendations, not only of the Standing Orders Committee of the Senate, but of the Joint Committee that met the other day. I deprecate all proposals which, from time to time, have a tendency to delay legislation which is necessary. When a Parliament has been elected, I take it that the mere fact of a periodical prorogation should not be regarded as a reason for interfering with the progress of legislation that has been introduced; and I know that in the majority of the States that is the principle acted on. While it is well that we have had an opportunity to listen to Senator Symon and yourself on the constitutional aspect of the matter, I think that the question we have, first of all, to ask is—Does this proposal conflict with the Constitution in any way? If it does not conflict with the Constitution, the next question is—Is it a desirable procedure to adopt, although the men who drew up the Constitution had not this contingency in contemplation at the time? Both of these questions can, I think, be answered without any great difficulty. I am satisfied that, although this contingency may not have been contemplated by the framers of the Constitution, the recommendation is not in conflict with the Constitution, or beyond our powers. The fact that the wording of the section implies that only one message will be sent may be attributed to the general assumption that legislation will be completed in the particular session in which it is introduced. We know, however, that practically that cannot always be the case. There may be a Bill, for instance, which gives rise to a great deal of difference of opinion and conflict, and two or three months may be occupied in pushing it along by means of constant sittings. When that Bill comes to another House, there may be a strong minority who, being opposed to the measure, may prevent it from becoming law. Surely it would not be reasonable, under

such circumstances, to say that the whole of the time that had been occupied in the other House in taking the Bill through all its various stages should be thrown away, and that there must be introduced another Bill which might give rise to the same trouble and conflict, more particularly when in the Chamber in which the Bill was originally introduced, there is still an opportunity, on a message being received from the other Chamber, to ventilate any difficulties that may have cropped up in the meantime. An opportunity is thus given for consideration, while at the same time there is no room for such an amount of fighting, as would render it impracticable to pass the measure. Personally, I would sooner see Parliament ultimately give a vote under such circumstances than have the measure destroyed by what those in favour of it might call obstruction. However much we may differ in opinion, we must recognise that Parliament, as representing the people, has a right to say whether a particular form of legislation shall pass. If a Bill were brought in towards the end of a Parliament, it would be unreasonable, in the case of a general election, to say that all that had been done in the previous Parliament should be ratified. The new Parliament, having come fresh from the people, and being, probably, imbued with the people's ideas of a particular measure, as they would be if it were an important one, should have an opportunity to reintroduce it and pass it through all its stages. But a mere prorogation occurring to-day, instead of a month hence, by which time probably the Bill would have been passed, should not be taken as a reason for rendering useless the work already done. I have always been strongly of opinion that a standing order of this character was desirable in the public interest, as well as in the interests of Parliament itself. I am glad to find that the standing orders as submitted have certain safeguards which did not surround the previous standing order. I am pleased to welcome standing orders which will prevent the possibility, as it appears to me, of an injustice being done to either House or to the country generally with regard to legislation under consideration. The point as to the messages, I regard as rather an interference with the prerogatives of the State; but, after all, we proceed on the theory that these are the moneys of the Crown, and that the Crown desires us to vote them.

Senator Sir JOSIAH SYMON.—It is a mere recommendation, not an order.

Senator Lt.-Col. GOULD.—And the recommendation is made at the request of the Ministry of the day?

Senator Sir JOSIAH SYMON. — And the Ministry is responsible for the recommendation.

Senator Lt.-Col. GOULD.—And, therefore, I do not regard the recommendation as in any way an interference with our rights and prerogatives. The course proposed is simply a means of safeguarding our rights, because it makes somebody responsible. If any foolish or wrong recommendation is made, those persons who are responsible for it ought to suffer for trying to lead Parliament astray in the payment of moneys which belong theoretically to the Crown, but really to the people, to whom we are responsible.

Senator PEARCE (Western Australia).—The points put by Senator Symon were raised in the Standing Order Committee, and thoroughly debated; and the Committee, by a large majority, decided that they were on perfectly safe grounds in making the recommendation contained in the report. At the meetings of the Standing Orders Committee, Senator Symon, in an equally vigorous fashion, voiced the protest he has made to-day, and outlined what he considered to be the chief objections to the course proposed. I have not been present to-day to hear all that the honorable and learned senator said, but I take it that he took practically the same stand which he took in the Committee.

Senator Sir JOSIAH SYMON.—Substantially the same.

Senator PEARCE.—Although I say it with bated breath, it seems to me that Senator Symon adopts a somewhat strained view of the section of the Constitution; and if we apply it to a specific instance, I think we shall be able to see the flaw in his argument. The instance with which the Senate is most familiar, is that of the Port Augusta to Kalgoorlie Railway Survey Bill; and if honorable senators will look at the procedure adopted in that case, and then read the section in the Constitution, they will find that practically that section was complied with in full. Of course, there is undoubtedly more force in the argument against this procedure, as connected with Money Bills, than as connected with ordinary Bills; in fact,

I do not think that Senator Symon advances his objections against ordinary Bills.

Senator Sir JOSIAH SYMON.—Hear, hear.

Senator PEARCE.—The Standing Orders Committee, with the safeguards they have embodied, give every power to both Houses, to conserve their rights in regard to Money Bills, and with those safeguards, I think the report might very well be adopted.

Question resolved in the affirmative.

Motion (by Senator PLAYFORD) agreed to—

That the following new standing orders be adopted in substitution for the existing order (No. 234) relating to Lapsed Bills :—

“ 234A. Any public Bill which lapses by reason of a prorogation before it has reached its final stage may be proceeded with in the next ensuing session at the stage it had reached in the preceding session, if a periodical election for the Senate or general election for either House has not taken place between such two sessions, under the following conditions :—

(a) If the Bill be in the possession of the House in which it originated, not having been sent to the other House, or, if sent, then returned by message, it may be proceeded with by resolution of the House in which it is, restoring it to the notice-paper.

(b) If the Bill be in the possession of the House in which it did not originate it may be proceeded with by resolution of the House in which it is, restoring it to the notice-paper, but such resolution shall not be passed unless a message has been received from the House in which it originated, requesting that its consideration may be resumed.”

“ 234B. Any Bill so restored to the notice-paper shall thenceforth be proceeded with in both Houses, as if its passage had not been interrupted by a prorogation, and, if finally passed, be presented to the Governor-General for His Majesty's assent.

234C. Should the motion for restoration to the notice-paper be not agreed to by the House in which the Bill originated, the Bill may be introduced and proceeded with in the ordinary manner.”

## COPYRIGHT BILL.

### SECOND READING.

Debate resumed from 24th August (*vide* page 1432), on motion by Senator KEATING—

That the Bill be now read a second time.

Senator Sir JOSIAH SYMON (South Australia).—By the courtesy of Senator Millen, who moved the adjournment of the debate on Friday last, I ask the indulgence of the Senate for a few minutes while I make one or two observations on this Bill. It is always refreshing to get a Bill which

rises above and is outside the stormy limits of party politics. I do not think that this is a Bill which ought to, or, indeed, can, raise any political or party animosity.

We may approach the measure from the same point of view as we should approach what we have called machinery Bills. There are three kinds of Bills with which this Parliament has to deal under the Constitution. There are those Bills which are known by the name I have just applied to them, namely, machinery Bills. There is a second class, which I may call Bills of uniformity—that is, Bills dealing with subjects which do not come within the ambit exactly of machinery Bills or of party politics, but are intended to secure uniformity of legislation on matters of public utility and public necessity. And there is a third class, which may be described as Bills of policy—that is, new Bills which are in the highest degree controversial. In machinery and uniformity Bills there may be much debatable matter as to details, but, so far as the principle involved is concerned, they involve no matter of controversy. If the time is opportune the principle we naturally adopt without much debate. At any rate, there is nothing in the principle which would induce any one to oppose the second reading of such a Bill. This Bill, dealing with copyright, if not machinery in the strict sense of the term, is at any rate within the second category of uniformity Bills like those relating to companies and bankruptcy, both of which, I hope, before many sessions are over, will be dealt with in order to prevent that conflict of procedure—a conflict that very often amounts almost to principle—which prevails in the diverse legislation of the various States. In regard to Bills of that character, we may disagree on details; but as a rule the principle is incontestable. This Bill has a further claim to my good will, in that it happens to be a Bill of the late Government, framed but not finally revised before they left office. In the third place, it has a special claim in that in it we are seeking to do what the Imperial Copyright Commission, who reported in 1878, declared to be an absolute necessity in relation to copyright, namely, to place the copyright law on something like a clear and intelligible footing. The main criticism of that very influential Commission, which carried on its labours from 1875 to 1878, was that, through the complexity and

the number of the Acts of Parliament relating to copyright, we had merely a piecemeal method of dealing with the subject, and that if there was one body of legislation more than another which it was desirable to make clear, so that he who ran should read, if that were possible, it was the copyright legislation of England and of the Empire. This Bill is at least an effort—it was meant to be an effort by the late Government, and I take it that it is so intended by the present Government—to carry out that object, and secure for all the States a uniform copyright law which shall, as far as possible, give effect to the best views in relation to that legislation and effectual copyright up to date. The details of the measure can be very much better left to the stage of Committee; but I wish to say a few words about what the foundation of the law of copyright really is. I venture to put it in this way: That the system of copyright rests upon a recognition of the duty of Parliament and Government to secure justice to authors, and involves the recognition, on the part of Parliament and Government, of the justice of establishing a property in the fruit of a man's reason, intellect, and imagination. That, of course, cannot be given effect to—we know quite well it cannot without arguing on the subject—unless the fruits of a man's reason, intellect, and imagination are expressed. If a man's brain is applied to the construction of something which can be handled, which is tangible, then there is no difficulty, because the law says that is his property. If any one invades it, or interferes with it, or takes it away from him, the offender is liable to the penalty which would follow upon a course of that sort. But where you cannot weigh or measure, where that which you seek to make a property is imponderable, you must first define what the property is, and then protect the owner in its enjoyment. In the first instance however, you must define what the property is so that you are able to say that this particular thing which you have defined is, in the eye of the law, to be property, and that its author or creator shall be entitled to the value of it, to be ascertained by the labour he has bestowed upon it, plus that right which the law may give him to enjoy the creation of his own efforts for a certain period. There has been a very great deal of discussion as to whether there is any natural right of property whatever—whether all property is not the creature of

law—and undoubtedly in relation to these fruits of intellect, reason, and imagination, there is no property unless, according to that which the law gives and defines. The result of that position is shown when you come to consider that a man's ideas involve the notion of a property. A man's ideas, so long as he has them, may be regarded at least as his natural property, but if they are communicated orally, without restriction, they may find a resting place in the hearts or the minds of his hearers. It may be good seed producing its fifty or one-hundred fold, or it may be bad seed, or it may be seed falling upon stony ground, but in either case, the ideas are parted with, because there is no enforceable right of property. In ancient times, the ideas of the philosophers were communicated orally in Athens, the eye of Greece, the mother of art and eloquence.

Senator STANFORTH SMITH.—By Socrates.

Senator Sir JOSIAH SYMON.—Yes; Socrates. We have all heard of the groves of Academe.

Senator PLAYFORD.—Plato taught there, but Socrates taught in the streets, anywhere he could.

Senator Sir JOSIAH SYMON.—The whole of the philosophers taught, and as regards that teaching, there was no possibility of establishing anything in the nature of copyright, except under some such provisions with regard to lectures, as is contained in this Bill. When, subsequently, Plato embodied the teachings of Socrates in his *Memorabilia*, there you had that which the law may define and say is the expression of the teaching—the mode of communicating the ideas—affixed in a certain form to which the law attaches the right of property, and which it protects by various means, that may from time to time be adopted. What we want, in order to lay a foundation for the law of copyright, is a permanent expression given to ideas for the instruction, the elevation, and the amusement of mankind. Once embodied in tangible form, then and then only, is it possible to secure the copyright, not so much in the ideas that are expressed as in the mode and form of their expression. That is, to my mind, essentially the object of copyright. If you have merely the illuminating sparks thrown off from a great intellect, "the thoughts," as it has been expressed, "that wander through eternity," you have

no subject-matter on which the law can take effect. But when you have these thoughts expressed in a more or less permanent form, which the law recognises, then it is the object of copyright to protect the form in which the ideas are given expression to, rather than the ideas themselves. Property being created in that way, it enables the author to secure the right which his property should secure, and to obtain the reward of his labour. Every one must admit that that object is one of the most salutary that the human mind can contemplate. It is one which our sense of justice immediately tells us should be given effect to. But, in considering the provisions of any law dealing with the subject, we must bear in mind, that there are advantages and disadvantages; that we must not suppose that all that is left for us to do is to say that there shall be a particular form of property in products of the intellect expressed in this particular way, and that that property shall take a particular form for a particular period. We must look at the matter from each side. The advantages are that it enables a supply of good books to be kept up. We cannot have that supply of good books unless we provide some means of establishing a property in their authors. We cannot possibly have a supply of good books unless men of letters are liberally remunerated, or are placed in a position in which they can expect to be able to make a bargain for their literary wares, and receive a compensation which they may think fair and just. Of course, as Senator Keating pointed out, there are men who may write for fame and glory. In my belief there are few men, perhaps, who write simply for that reason. There are a greater number of men who write because they cannot help it—poets who write because, as Tennyson, I think, said—

I do but sing because I must;  
I pipe but as the linnets sing.

One can hardly imagine Burns abstaining from writing his immortal songs from any consideration of the law of copyright, or whether copyright was to last for twenty or thirty years after his death, or was to expire when he died. We know, as far as we know anything of his life, that Shakespeare wrote not for fame and glory. In fact, he thought little or nothing of his own plays. He made his fortune out of his acting, and the conduct of the theatre to which he contributed those plays. We cannot imagine that many others

*Senator Sir Josiah Symon.*

amongst the greatest writers in the English tongue wrote because of any feeling that there was a system of copyright which would enable them to be greatly remunerated. And after all, we must not forget that it is not the author who derives the greatest benefit from any system of copyright, and we must be careful not to place in the hands of others than authors the benefit to be derived from such system. It is the bookseller and the publisher, who may drive a hard bargain with the author for the copyright of his work, and who may, after the author's death, if you make the period of copyright too long, enjoy wealth which the Parliaments that legislated, and which the statesmen who proposed systems of copyright, intended to be for the author or his descendants. At one time, as Senator Keating very properly said, authors had to look a good deal to the patrons of learning—to the great and the noble. No one can say for a moment that authors should be obliged to look for that remuneration which their works should entitle them to receive to the great and the noble, or be mere dependents—as used to be the case 100 or 150 years ago—upon those who could give them a pittance from time to time, in recognition of their efforts. At the same time, we know well that these patrons of literature were indispensable, and did a very great deal, for which subsequent generations ought to be grateful, in encouraging and establishing the authors of the day in which they lived. There are great disadvantages in connexion with copyright, unless framed upon lines and within limits which are, as far as possible, just. In the first place, copyright is a monopoly, and like all monopolies, it is evil in essence. Therefore, we should be careful not to extend its operation one day or one hour beyond that which is absolutely essential, in order to secure the good that is intended. The point we should consider in giving such a monopoly is, how far it is necessary to go in order to secure the good we have in view. The difficulty is in fixing the period. Various periods have existed in English legislation on the subject. The periods of copyright differ in almost every country; and an evil, I venture to think, exists, especially in giving a posthumous monopoly—a period of copyright of undue length after the death of the author—rather than a long fixed period dating from the publication of the book intended to be protected. I myself should give, as I intend to propose later on, a



fixed period, so that there might be an absolute certain basis for which the copyright shall apply, an absolute fixed and certain period upon which an author can bargain with his publisher for the remuneration to which he thinks he is entitled, and not a lengthened uncertain period which leaves him entirely in the hands of the publisher in respect of the bargain to be struck. For instance, there is no motive, as we must all feel, to increased exertion and effort on the part of an author in the production of his works by giving to that author's books a copyright of some thirty years after he is dead. Distance does not "lend enchantment to the view" of the author so far as this matter is concerned.

Senator WALKER.—In France the period is fifty years.

Senator Sir JOSIAH SYMON.—I cannot understand how it is that such long periods of posthumous copyright have been given. In the law that prevailed in England before the Act of 1842, there was a period of twenty-eight years of copyright. The Act of 1842 was passed in that year. The Senate has already been supplied with particulars of it, to which I shall refer in a moment. But in 1841 a Bill was introduced by Sergeant Talfourd, afterwards Mr. Justice Talfourd, giving a period of copyright extending for sixty years after the author's death; and, strangely enough, that Bill was strenuously opposed by Lord Macaulay. When we remember Macaulay's position in English literature, and the personal interest he had in the subject, his opposition to a copyright of sixty years after the death of the author must seem to be almost irresistible as a reason against the long posthumous periods. At any rate, we may well pause before giving a lengthened period after an author's death, when we remember the power and the keenness with which a principle of that kind was opposed by Lord Macaulay.

Senator STANFORTH SMITH.—In Japan the copyright is perpetual.

Senator Sir JOSIAH SYMON.—It used to be perpetual in England a good many years ago, but that was altogether destroyed by a decision of the courts. When Talfourd's Bill of 1841 was introduced, he proposed, as I have said, that copyright should extend for sixty years after the death of the author, instead of the old twenty-eight years, or the duration of the author's life,

whichever should last longest. On the occasion of that Bill being considered by the House of Commons, Lord Macaulay gave a most interesting illustration of the pernicious results which would follow, and the little advantage to authors which would accrue from having such long periods of copyright. He took the case of Dr. Johnson, and I may read what he said, as it is just as applicable to this Bill in respect of the term proposed as it was to the Bill introduced by Sergeant Talfourd in 1841. Macaulay said—

Dr. Johnson died fifty-six years ago. If the law were what my honorable and learned friend wishes to make it, somebody would now have the monopoly of Dr. Johnson's works. Who that somebody would be it is impossible to say; but we may venture to guess. I guess, then, that it would have been some bookseller, who was the assign of another bookseller, who was the grandson of a third bookseller, who had bought the copyright from Black Frank, the doctor's servant and residuary legatee, in 1785 or 1786. Now, would the knowledge that this copyright would exist in 1841 have been a source of gratification to Johnson? Would it have stimulated his exertions? Would it have once drawn him out of his bed before noon? Would it have once cheered him under a fit of the spleen? Would it have induced him to give us one more allegory, one more life of a poet, one more imitation of Juvenal? I firmly believe not. I firmly believe that a hundred years ago, when he was writing our debates for the *Gentleman's Magazine*, he would very much rather have had twopenny to buy a plate of shin of beef at a cook's shop underground. Considered as a reward to him—

That is what every intelligent system of copyright ought to have first, and primarily and always in view—the reward to the author—

the difference between a twenty years' term and a sixty years' term of posthumous copyright would have been nothing or next to nothing. But is the difference nothing to us?

Then on the other side—because the public have an interest in this; the public are entitled to have at the earliest possible period the benefit of a man's intellect thrown open to them at the cheapest possible rate—Lord Macaulay said—

I can buy *Rasselas* for sixpence; I might have had to give five shillings for it.

Because of course a monopoly enables the bookseller to levy blackmail—to say, "I will not print any more copies of this book, because I can keep up the price by not doing so."

I can buy the Dictionary, the entire genuine Dictionary, for two guineas, perhaps for less; I might have had to give five or six guineas for it. Do I grudge this to a man like Dr. Johnson? Not at all. Show me that the prospect of this

boon roused him to any vigorous effort, or sustained his spirits under depressing circumstances, and I am quite willing to pay the price for such an object, heavy as that price is. But what I do complain of is that my circumstances are to be worse, and Johnson's none the better; that I am to give five pounds for what to him was not worth a farthing.

Lord Macaulay in that speech, and in subsequent speeches, elaborated the same thought very fully; but nothing could be more forcible and nothing more true than these remarks as applied to the undesirability of establishing a lengthened period of what he calls "posthumous copyright." There is another illustration of the disadvantages from the point of view that copyright involves a tax on readers to enable a bounty or reward to be given to authors. If you could by increasing the tax—that is, by extending the period of monopoly—increase the benefit to the authors, that would be a desirable thing; but the experience of authors, and the experience of life, and of the reading public, has shown that by increasing the tax you confer no increase of benefit on authors. My own personal belief is that by increasing the period—by having an uncertain period—you do not benefit the author; but by having a known and certain period you do benefit him. By having regard to the public interests you benefit authors. If you make copyright for the author's life, securing it by a definite term, as I shall suggest, you give to the author the highest possible benefit you can. If, on the other hand, you make copyright for a lengthened period, in the belief that you are to remember his posterity and keep them in affluence from the efforts of his mind—

Senator DOBSON.—As we ought to do.

Senator Sir JOSIAH SYMON.—We ought to do so if we can; but it is quite impracticable, because as a rule—there are contrary instances, no doubt—the work is sold and in the hands of strangers. It is published by strangers. By extending the period you confer no benefit upon the authors of the books, whilst publishers exploit the public for their own benefit. We know that that has been the result.

Senator MULCAHY.—It is business.

Senator Sir JOSIAH SYMON.—Of course it is business.

Senator KEATING.—That is largely due to the fact that, as a rule, authors know very little about copyright. It is also due to the uncertainty.

Senator Sir JOSIAH SYMON.—There is no uncertainty as to the law that exists now. The very fact that the report of the Royal Commission—which sat from 1875 to 1878—has never been acted upon, and its recommendations made law, is not to be got rid of by saying that Parliament had a great many other things to do which were of greater interest, and excited more concern than the question of copyright. But it is a significant fact that for twenty-seven years that report has lain dormant, and there has never been an agitation to embody its recommendations and proposed changes in the law of England in respect to copyright. If the old law of 1842, in regard to books—of course, there are many other things in relation to which changes have been made by later legislation, and to which I need not refer—which gives a period of forty-two years, or the life of the author, plus seven years, had been unjust or insufficient, it is not to be supposed that there would not have been some amendment. The report of the Royal Commission has lain dormant, although there has been a sufficient number of authors in the House of Commons, and of authors having influence with the House of Commons, and with Parliament generally, to have brought necessary changes about. But the fact that the report has lain dormant and the law has remained in operation, as it existed in 1842, shows that the period of copyright and the principle on which that period was fixed under that Act, was considered a good one, and has been effective for the protection of authors on the one hand and for giving the public the benefit of the production of good books on the other.

Senator MILLEN.—It fixes a period after the life of an author?

Senator Sir JOSIAH SYMON.—The period fixed is seven years. It does not go to the extent of thirty, forty, fifty, or sixty years, as was proposed in 1841, or of fifty years, as is now provided for in some continental countries. To show why that was adopted, to some extent as a compromise, I might mention that the Bill, introduced in 1842 by Lord Mahon, afterwards Earl Stanhope, provided for a copyright for the life of the author, and twenty-five years beyond. That was strenuously opposed by Macaulay, who said it was based on a wrong principle. He said, "You ought not to enlarge the uncertain period, but enlarge if you like the certain

period," and it was at his instance that the twenty-five years after death was cut down to seven. Fourteen years more was added to the certain period of twenty-eight years that then existed, and forty-two years was enacted. So it was left at forty-two years, or, the life of the author and seven years, whichever term expired latest.

Senator DOBSON.—The honorable and learned senator proposes to make it a fixed term, independently of the life of the author?

Senator Sir JOSIAH SYMON.—So far as the period is concerned, I think that forty-two years is ample.

Senator WALKER.—Suppose a young man of twenty-five writes a book, and lives to be ninety years of age?

Senator Sir JOSIAH SYMON.—I should give him the benefit of copyright for his life. I should fix forty-two years after publication, or, for the author's life, whichever lasted longest. I think that would be perfectly just. I might say here that Senator Keating quite truly said that the thirty years was a suggestion merely of the Commission referred to, but it has never been adopted in England. It has never been the subject of legislation, and we, therefore, must exercise our own judgment as to what is fair and just, and we should not slavishly follow a mere recommendation of that kind, which met with the most strenuous opposition from one of the greatest authors of our time, both as to the period of sixty years and the lesser period of twenty-five years, as introduced in the Act of 1842. No doubt there are various elements to be taken into consideration. Young authors may not know the extent of their rights, but the difficulty is that, by this system of giving copyright for thirty years after an author's death, we are practically giving a totally unequal copyright to different works of the same author. For instance, if an author produces a work of which he secures copyright at twenty-five years of age, and lives to be eighty-five years of age, he has sixty years of his own life as copyright for that work, and then it is proposed under this Bill to add on to that thirty years more, which would give him a copyright of ninety years for that particular work. But if he produces a book in the maturity of his powers, say when he is about sixty years of age, he will only get fifty years copyright altogether—twenty-five years during his

lifetime and twenty-five years after his death. That is not the basis on which it seems to me we should place an author in the position of fixing the remuneration for his labour. Then, too, the amount which a publisher gives bears no proportion, as a rule, to what he will draw from the work if his speculation is a successful one. He may buy from the youthful author, of whom Senator Walker speaks, and may make his fortune whilst the author may be starving. A singular illustration is given of that, which I may be forgiven for extracting from a later portion of Macaulay's speech. I refer to the celebrated case of Milton's granddaughter, and I give the illustration in the words used by Macaulay. He says—

If, sir, I wished to find a strong and perfect illustration of the effects which I anticipate from long copyright, I should select—my honorable and learned friend will be surprised—I should select the case of Milton's granddaughter. As often as this Bill has been under discussion, the fate of Milton's granddaughter has been brought forward by the advocates of monopoly. My honorable and learned friend has repeatedly told the story with great eloquence and effect. He has dilated on the sufferings, on the abject poverty, of this ill-fated woman, the last of an illustrious race. He tells us that, in the extremity of her distress, Garrick gave her a benefit, that Johnson wrote a prologue, and that the public contributed some hundreds of pounds. Was it fit, he asks, that she should receive, in this eleemosynary form, a small portion of what was in truth a debt? Why, he asks, instead of obtaining a pittance from charity, did she not live in comfort and luxury on the proceeds of the sale of her ancestor's works? But, sir, will my honorable and learned friend tell me that this event, which he has so often and so pathetically described, was caused by the shortness of the term of copyright? Why, at that time, the duration of copyright was longer than even he at present proposes to make it. The monopoly lasted not sixty years, but for ever. At the time at which Milton's granddaughter asked charity, Milton's works were the exclusive property of a bookseller. Within a few months of the day on which the benefit was given at Garrick's theatre, the holder of the copyright of *Paradise Lost*—I think it was Tonson—applied to the Court of Chancery for an injunction against a bookseller who had published a cheap edition of the great epic poem, and obtained the injunction. The representation of Comus was, if I remember rightly, in 1750; the injunction in 1753. Here then is a perfect illustration of the effect of long copyright. Milton's works are the property of a single publisher. Everybody who wants them must buy them at Tonson's shop, and at Tonson's price. Whoever attempts to under-sell Tonson is harassed with legal proceedings. Thousands who would gladly possess a copy of *Paradise Lost* must forego that great enjoyment. And what, in the meantime, is the situation of the only person for whom we can suppose that the author, protected at such a cost of the public, was at all interested? She

is reduced to utter destitution. Milton's works are under a monopoly. Milton's granddaughter is starving. The reader is pillaged; but the writer's family is not enriched. Society is taxed doubly. It has to give an exorbitant price for the poems; and it has, at the same time, to give alms to the only surviving descendant of the poet.

Senator MILLEN.—The honorable senator, I am sure, will not overlook the growing practice of book publishers paying a royalty on every book sold.

Senator Sir JOSIAH SYMON. — No doubt that is so, but even in that respect we will have to consider the duration which ought to be given to the copyright. If there is a copyright for a long period of years, for the author's lifetime, we have some certain basis of computation. He and his publisher will be placed more nearly on an equal footing, in their means of determining what the profits of the venture may be, and the price which the author should receive for his work. If the whole copyright is sold, and it is not merely a question of the payment of a royalty, the author will get the benefit of a fair bargain on a basis which can, perhaps, be approximately estimated, while it could not be approximately estimated if we fixed an extended period of thirty years or fifty years after an author's death. In view of these considerations, I propose to ask the Senate to fix, as I have said, a definite period of forty-two years after publication, or for the author's life, whichever lasts longest. Of course any period is liable undoubtedly to a certain amount of abuse. We know the well-known instance of Mr. Ruskin, whose copyright, of course, extended during his life under the existing law, but who for a great many years prohibited the republication of his books. The result was, as we all know, that they went up to a perfectly fabulous price, and were unprocurable, except by wealthy men. Now, after his death, when the copyright is at an end, the public who value Mr. Ruskin's books—works of most pelucid English—have an opportunity of getting them at a comparatively small price, as any one will find on application to the booksellers of this city. Still that is a disadvantage which we cannot get rid of, and which might or might not be incidental to the justice which we seek to do in giving an author a copyright at least during his own life, but fixing it definitely so that there shall be none of the posthumous copyright to which so much exception is taken, and which leads to very much evil and disad-

vantage. I hope we shall be able, in this Bill, to insert a fixed period, instead of a provision for the period of an author's life, with so long a posthumous period as thirty years beyond. There are only one or two other matters to which I desire to refer. I should like to see a definition in the Bill as to what is meant by publication. Some doubt exists on that subject in relation to books published for private circulation—books published at the instance of subscribers, and issued only to subscribers, who must subscribe for the whole set, and so on, and books published in the ordinary way, and thrown open to the purchasing and reading public.

Senator PEARCE.—Does not the definition in the Bill cover the ground?

Senator Sir JOSIAH SYMON.—I do not think it does. It does not seem to me to be quite clear enough. It deals with the offering of the book for sale, but one might offer for sale a book published for private circulation. It depends who offers it for sale, and I think some words should be introduced which would indicate the offering for sale without reference to the author. That is a matter which can be better considered in Committee. Then there is another very important subject, which must be looked at in going through the Bill in detail. I hope nothing will induce the Senate to hastily pass this Bill as a mere matter of form, as something which we do not understand, or as a technical measure which we should take entirely upon trust. A measure of this kind should have the fullest consideration given to every line of every clause, so that we may have every possible explanation of the views of the jurists and text-writers who have dealt with the subject, and no provision be inserted unless as the result of the deliberate wisdom of Parliament. That is particularly important, because, as the Minister in charge of the Bill has pointed out, the Imperial Copyright Act is in operation in Australia, and any provision in this Bill which conflicts with that law crumbles into dust, unless we have some Imperial measure, such as has been adopted in Canada, giving legislative effect to it. It must never be forgotten that, irrespective of the local law, this Imperial Copyright Act is in operation in Australia, and that every Australian author who publishes a book here is entitled to the benefit of that law. Whatever we may legislate—for instance, as to the period—

if it be inconsistent with the Imperial law, it can have no effect until ratified by the Imperial authorities. It is, therefore, incumbent upon us to be particularly careful that we do not impinge on, or conflict with, that Imperial law. I am sure that the Minister, when we come to deal with the Bill in detail, will assist us on each clause, and guide us as to how far it may be affected by, or how far it, in its turn, affects the existing Imperial legislation. At any rate, I ask the Minister not to hastily push this Bill through Committee, because it is pre-eminently a Bill for caution and not for haste. The object is one of the highest to which we can direct our attention, namely, to protect the fruits of a man's intellect—the results of the effort of his brain—as distinguished from the efforts of a man's hands in constructing tangible articles which we can see and deal with as ordinary property. Although the object is a great one, the mode of carrying it into effect is difficult; and we should take every possible opportunity to consider and investigate each provision we propose to introduce, that we may place on the statute-book, not merely a measure which will achieve the purpose we all have in view, but a measure in such a form that it will be a credit to Commonwealth legislation.

Senator WALKER (New South Wales).—It was a great privilege to hear the addresses of Senator Keating and Senator Symon on this Bill. I do not propose to speak at any great length; but there are one or two points to which I am justified in drawing attention. The States have certain rights, which, it is desired, shall be preserved in this measure. For instance, the New South Wales Copyright Act of 1879 stipulates that a copy of every book first published in that State must be delivered to the Public Library and the University of the State within two months of publication on a penalty of £10.

Senator MILLEN.—Is there any reason for that law?

Senator WALKER. — Mr. H. C. L. Anderson, Registrar of Copyrights in New South Wales, has drawn the attention of the Premier of that State to the necessity to preserve this right; I mention that fact for what it may be worth. If the same principle were carried out throughout the Commonwealth, each Parliament, Public Library, and University would want a copy, and, as there are seven Parliaments, four

Universities, and six Libraries, each author would require to give seventeen free copies of his work. As pointed out by Senator Keating and Senator Symon, if we pass a Bill that conflicts with the Imperial Act, we shall require the King's consent to our measure. I intend to present a petition—embodying what was represented in the petition which to-day was ruled irregular—pointing out that the authors of Australia are placed at a great disadvantage in relation to America. Australian authors cannot have their books copyrighted in America, unless they are simultaneously printed there, whereas American books may be freely imported into Australia under the Imperial Copyright Act. It may perhaps be interesting and instructive to read one or two extracts from a letter written by Mr. Anderson on the point to which I first alluded. Mr. Anderson says—

The privileges at present enjoyed secure to our Public Library complete files of all country newspapers (about 340), and a copy of everything, large or small, that is published in the State. It saves an expenditure of at least £500 or £600 per annum, and it is obviously necessary that a State Library should contain files of all newspapers published in that State, and all its general literature; and if these were not supplied to the library under the terms of the Copyright Act of 1879 they would have to be paid for. The newspapers of 100 years ago are our greatest treasures for historical students to-day, and the same will probably be true in the future.

Further, the State Copyright Act of 1879 provides for the registration of copyright in "designs," to which it gives protection for two or three years, and it is a provision that is largely availed of. No such protection is given in the Federal Bill. The result of the Bill, if passed in its present form, would be, on proclamation being made by the Governor-General, to take the administration of the whole of the State Act, so far as it relates to copyright, out of the hands of the State authorities, and vest it in the Commonwealth. Consequently, the State authorities would be no longer able to register copyright in "designs," and it would seem that the Federal authorities would have no power to register "designs" either. As a result, new designs would be left unprotected in the future, failing new State legislation in that direction.

I notice that in the Bill simultaneous publication means publication within fourteen days.

Senator KEATING.—That is provided in clause 5.

Senator WALKER.—When we get into Committee, I have several little points to bring forward, but I shall not detain honorable senators now, further than to

congratulate Senator Keating and Senator Symon again on their interesting and instructive addresses.

Senator PEARCE (Western Australia).—The person who wrote the letter from which Senator Walker has quoted, overlooks the fact that this Bill does not touch the question of designs. The Constitution gives the Commonwealth power to legislate on copyright, patents, inventions, and designs, and trade marks. We have already passed a Bill dealing with patents, and there is at present a measure before another place dealing with trade marks. The Bill now under consideration deals with copyright, and I take it that it is the intention of the Government to, at some time or other, introduce a measure relating to designs. At present, however, so far as designs are concerned, Mr. Anderson's fears are unfounded. I find some difficulty in criticising the Bill, because of what I take to be an innovation. Previously, when we have had measures dealing with such subjects, there have been marginal notes indicating the sources of the various clauses, whereas in this Bill there is an absence of any such information. That makes it difficult for honorable senators to compare the provisions with existing legislation. We have to do all the foraging for ourselves.

Senator Sir JOSIAH SYMON.—There are fourteen different Acts besides the report of the Royal Commission to compare with the Bill.

Senator PEARCE.—Senator Keating in introducing the measure, indicated that it is largely based on the report of the Royal Commission. It would have been helpful to honorable senators in the case of a highly technical measure of this description, if some indication had been given as to what portions of the Bill are based on the report of the Commission, and what are based on existing legislation. We should then have been able to see how far the Bill clashes with, or takes away, existing rights in the States. There are one or two clauses in which this difficulty arises in very acute form. One of the first points that struck my attention was the definition of "artistic work," which, according to the Bill, includes—

(a) any painting, drawing, or sculptor; and

(b) any engraving, etching, print, lithograph, woodcut, photograph, or other work of art produced by any process, mechanical or otherwise, by which impressions or representations of works of art can be taken or multiplied.

An important question here arises. I do not know whether my reading of the law is right, but it might be possible, by obtaining copyright for a lithograph, or similar work, to use it practically as a trade mark, and so to obtain under this Bill what could not be obtained under a Trade Mark Act. It is a common practice to use a lithograph or an engraving as a trade mark; and if a person may take out a copyright, he will be under no necessity to register under the trade mark law. Under the latter he could register for only fourteen years, whereas a copyright may be obtained for a life time, and thirty years afterwards. In America it has been found necessary to make provision for this particular contingency, and I have given notice of an amendment on the point. The Act of Congress, relating to patents, trade marks, and copyright, was approved on the 18th June, 1874. Section 3 is as follows:—

That in the constitution of this Act the words "engraving, cut, and print," shall be applied only to pictorial illustrations or works connected with the fine arts, and no prints or labels designed to be used for any other articles of manufacture shall be entered under the copyright law, but may be registered in the Patent Office. And the Commissioner of Patents is hereby charged with the supervision and control of the entry or registry of such prints or labels, in conformity with the regulations provided by law as to copyright of prints, except that there shall be paid for recording the title of any print or label, not a trade mark, six dollars, which shall cover the expense of furnishing a copy of the record, under the seal of the Commissioner of Patents, to the party entering the same.

There are subsequent sections to carry out the intention to prevent the copyrighting of these particular pictures, or works of art. It seems to me that some such provision is necessary in this definition of "artistic work," to prevent a person copyrighting things which might be called works of art, but which are really to be used as trade marks. The Bill provides that copyright shall subsist for thirty years after the death of the author. That is, I think, altogether too long. Of course, the argument is brought forward that the author has the same right to protection for the product of his brain as has the author of a patent. Under the patent law a patentee enjoys the right for fourteen years, and in certain circumstances he can extend the period. But I fail to see why we should give copyright, not only to an author for his life-time, but to somebody else, for thirty years after the author's death. I

indorse what Senator Symon said on that subject, but the amendment he suggested to substitute forty-two years might create almost as great an evil. If, after copy-righting his work, an author were to die, the copyright would subsist for forty-two years, that is, for twelve years longer than it would under the Bill as it is framed. It seems to me that the honorable and learned senator might do better by adopting the term of the author's life, and a shorter term after his death, or by abolishing the latter term. By giving copyright for forty-two years, irrespective of the length of the author's life, we might bring about all the results which the honorable and learned senator depicted, and perhaps intensify them. Clause 33 is a very interesting one, and induces me to call attention to the danger of the practice of omitting the marginal note from a clause. This is the clause which gives copyright in cable news to newspapers. On reading it one might almost be led to think that it merely carries on existing legislation. But so far as three States are concerned, and also, I think, as regards the United Kingdom, it is an innovation. The laws of Queensland, New South Wales, and Victoria give no statutory copyright in cable messages or news. After the news has been published, any person is free to republish it. So that as far as those States are concerned, the clause proposes to give to the owners of press messages therein a monopoly which they do not hold under their copyright law. Under State law copyright is given for forty-eight hours in Tasmania, for from twenty-four to thirty-six hours under circumstances in South Australia, and for seventy-two hours in Western Australia. In Great Britain, too, there is no copyright in such news. Can any reason be shown why, in the States where copyright in cable messages does not exist, it should be given? Had a marginal note been attached to the clause, it would, I think, have given rise to strong discussion, and drawn attention to the fact that we were conferring a right in three States which did not previously exist. Take clause 51, which deals with the liability in respect to the use of a theatre. It is so vaguely worded as to be somewhat dangerous. It commences in this way—

Where a dramatic or musical work is performed in a theatre or other place in infringement of the performing right of the owner of that right, the person who permitted the theatre or place to be used for the performance shall

be deemed to have infringed the performing right, and shall be guilty of an offence against this Act.

It goes on to provide for the imposition of a penalty. A person who proposed to stage a play might incur great expense on rehearsals and scenery, and a rival, for the purpose of damaging him, might choose to stop the performance of the play. If he wrongfully did so, a penalty is provided, but it is altogether disproportionate to the harm and damage which he might have done. It would not be the first time that it was done. We should be very careful not to frame a law which would practically offer an incentive to men to do that sort of thing. The penalty to be imposed upon a person who takes this course without just cause, is £20. One has only to consider the great cost which a theatrical proprietor is put to in staging a play to recognise that a penalty of £20 would not be at all commensurate with the injury which might be done to him by a person who took advantage of this provision to stop its performance.

Senator KEATING.—I have here the draft of a new clause to provide that where a notice is given, and is not *bonâ fide*, by one who is not the owner of the performing-right, or agent, to make it an offence punishable by imprisonment.

Senator PEARCE.—That would be better, and I am glad that the necessity for the stringent amendment has been recognised by the Government. With these few exceptions, the Bill seems to be one which will be of service to the fine arts and to authors. I had hoped that Senator Keating or Senator Symon, being lawyers, would have explained how it comes that this Bill makes provision for the operation of the common law of the United Kingdom. It seems to me to be an innovation.

Senator Sir JOSIAH SYMON.—Where does the Bill do that?

Senator PEARCE.—Clause 7 says—

Subject to this and any other Acts of the Parliament, the common law of England relating to proprietary rights in unpublished literary compositions shall, after the commencement of this Act, apply throughout the Commonwealth.

Senator Sir JOSIAH SYMON.—That clause is altogether unnecessary, because the common law applies, unless it is changed by legislation.

Senator PEARCE.—Senator Keating pointed out that in passing the Bill we had to remember that the common and statute

law of the United Kingdom, and two copyright conventions, applied to the Commonwealth. In connexion with not only this subject, but also navigation, the question will arise as to how far we are entitled to legislate, and as to how our law will stand if it clashes with Imperial law. Supposing that there is any doubt on the point, is it advisable to put in this Bill a clause which seems to give away the position, so far as the superiority of our law is concerned? I was under the impression that we had power to legislate exhaustively on the question of copyright; but it would seem that our power is limited. If that is the case, I should like some lawyer in the Senate to point out how far we can deal with these questions, because, according to my reading of the Constitution, our power is not limited where we are given exclusive jurisdiction on any subject.

Senator DE LARGIE (Western Australia).—It is a pity that Senator Keating did not introduce this measure at an early part of Thursday's sitting, when he might have been able to furnish more information than he could give when he began his speech at a late hour. No doubt, he curtailed his remarks very considerably, owing to that fact.

Senator DOBSON.—I thought it was a model second-reading speech, dealing with principles only.

Senator DE LARGIE.—A number of important points on which we have a right to expect some information were not touched by Senator Keating, because, as I thought, he made his speech late in the evening. I should have liked to hear better reasons given for the introduction of this Bill than have been given. I am in favour of the idea of having a Copyright Act, but at the same time it should have been made clear that there is a pressing necessity or a call from the country for a law of this kind. I know of no such demand having been made. I have not heard of any meetings being held. Of course, in some parts of the Commonwealth there may have arisen a demand of which I have not heard. So far, the necessity for the introduction of this Bill has not been satisfactorily explained. Senator Keating did not mention whether it is to be administered by the Patent Office, or whether a new office is to be created for that purpose. If a new office is to be created, it will involve considerable expenditure. Before I can support the second reading, I desire to know what the cost of ad-

ministration is likely to be. If we are to be asked to pass measures which involve great expenditure, and for which there is very little call from the country, I can easily see that the Federal expenditure will increase by leaps and bounds, and that there may be some reason for the oft-repeated cry about extravagance. I hope we shall be told by Senator Keating what the cost of administering this measure will be, and whether we shall be justified in incurring that expense. I can understand that a great many officers will be required to administer its provisions, and that is why I think that the Minister might very properly have furnished better reasons for its introduction. I do not know that it is likely to benefit very many persons in Australia. I am of opinion that an Australian author of any standing will consult his interests best by bringing out his book in the United Kingdom, where there is a much larger reading public to appeal to, than there is in Australia.

Senator Sir JOSIAH SYMON.—That is what is done. There is no urgency for this measure.

Senator DE LARGIE.—Any author who has acquired a standing will no doubt recognise that the market in which he can make the most of his work is the United Kingdom. If he looks to his own interest—which we can reasonably expect that he will do—he will have his work published there. That seems to me to be another reason against the passage of this Bill at the present time. Of course we look forward to a time when we shall have an array of writers in Australia whose works I should like to protect, just as I should like to protect the works of any other workman, because, from my point of view, a writer is a man belonging to a profession which requires a certain amount of encouragement and protection, and if we can give it without any great hindrance to the public I see no reason why we should not do so. There is some difference of opinion as to whether a measure of this kind is an advantage to literary men. Some literary men have expressed the opinion that copyright laws are not in their interest. Professor Dicey holds the opinion that the rights of literary men are best conserved when they have the utmost freedom so far as concerns their productions. There are others who view the matter from quite the opposite standpoint. For instance, Herbert Spencer declared that



there was no reason whatever why a writer should not have the full benefit of any original idea that he might give to the world, and that he should have first and foremost the full value derived from his literary productions. The fact that two such eminent authors as Professor Dicey and Herbert Spencer—and I could mention others—entertain opposite views, shows that literary men are not in agreement as to the requirements of a copyright law. The principle underlying copyright may be sound in itself, but in a young country such as ours I question whether we shall be consulting the public interest by passing such a Bill. For many years the United States had no copyright law in the same sense as this. The result was that in America books for which £1 would have had to be paid in the United Kingdom could be purchased for about 2s.

Senator Sir JOSIAH SYMON.—Who suffered from that?

Senator DE LARGIE.—I do not know that any one suffered.

Senator Sir JOSIAH SYMON.—It was piracy.

Senator DE LARGIE.—The result was that a very much larger number of books were sold, and that publishers had a larger market.

Senator Sir JOSIAH SYMON.—We have passed a Customs Act which prohibits the importation of such American reprints.

Senator DE LARGIE.—That may be an argument against what I am saying; but at the same time it is worthy of consideration whether we shall consult the public interest by passing such a Bill. It has been held that a great deal of the enlightenment and up-to-dateness of the American people is due to the fact that for so many years they have been able to purchase books cheaper than the rest of the world could do. And owing to the fact that books in America are so cheap the public buy them, and have them in their homes, instead of having to borrow them from libraries.

Senator Sir JOSIAH SYMON.—Does the honorable senator know that books in America, with the exception of pirated books, cost a great deal more than is the case in England?

Senator DE LARGIE.—I have no information on that point. It may be so; but we know that in this country books of a high class are quite out of the reach of the poor man, although they are purchas-

able for a very small sum in America. There can be no two opinions as to whether it is to the advantage of the public to be able to buy a book for 2s. or for £1. I wish to say a word in reference to the clauses of the Bill affecting newspapers. I should like to know from Senator Keating whether a writer for a newspaper, working for wages, will have the benefit of protection for articles which he publishes whilst employed in that capacity? Will the copyright belong to the writer or to the man who employs him? I do not see where that is made clear in any part of the Bill.

Senator DOBSON.—If a newspaper proprietor paid a man a couple of guineas for a leader, I should say that it would belong to the newspaper.

Senator DE LARGIE.—I wish to have some information on the point. Another consideration is that under this measure copyright can be secured for cabled news. At the present time, so far as Australian newspapers are concerned, cabled news is not original. It is culled from the newspapers of the old country, and simply wired out here. If news of that kind can be copyrighted, it seems to me that an injury will be done to the public. We are well aware that certain arrangements exist amongst newspaper proprietors in Australia, and that there is a very close ring or corporation. They keep out any other newspapers whom they chose to exclude. The consequence is that country newspapers, or small weekly journals, brought out in the cities, which may desire to get information, or to enter this newspaper ring, are excluded, because of the great expense they would have to incur if they attempted to obtain cablegrams for themselves. The principal newspaper proprietors have kept the ring as a close preserve. Are we going to help these rich newspapers to boycott the country newspapers, as they have done in the past? If there were any originality about the cabled news, the case would be different; but, as a matter of fact, it is nothing more than scissors and paste work. No originality can be claimed for it by those who cable it to this country. We should, therefore, hesitate before we give to any one a title of copyright in news of that kind. If no provision is made to leave the door open for other newspapers to participate in the agencies that exist, I shall feel compelled to vote against any such protection being

granted to newspaper proprietors. This is an important matter, about which Senator Keating will, I hope, be able to enlighten us when the Bill gets into Committee.

Senator DOBSON (Tasmania).—I notice from this Bill an absence of marginal notes, telling us from what source the clauses are taken. We have often found such notes of great service in the consideration of Bills. I am, however, informed that many of the clauses have been taken not from English Acts, but from Bills prepared as the result of various conventions and conferences on copyright. Those Bills, as Senator Symon tells us, have not yet been placed upon the statute-book of Great Britain. I understand that we shall have copies of them before us in due time. With regard to clause 7, as to which Senator Pearce spoke, I understand that it has been inserted simply to clear up doubts which otherwise might arise. The common law with regard to the matter as applicable to New South Wales was taken from the English common law as it existed when the State of New South Wales was founded. When subsequent States were founded, it may be that the common law of England, as altered by various decisions, was followed. In order to settle doubts, this clause was put in, to make the common law applicable in all cases, subject to the provisions of this measure. I have nothing further to say about the principles of the Bill, which were admirably stated by Senator Keating in his very able second-reading speech, upon which I desire to congratulate him.

Senator STANFORTH SMITH (Western Australia).—I also should like to compliment Senator Keating on the very informative speech which he made in moving the second reading of this Bill, and also on the very interesting historical *résumé* which he gave of legislation in connexion with copyright. He covered a period of about 400 years; and Senator Symon in his very able speech this afternoon drew on his extensive *repertoire* of information for illustrations of events that occurred over 2,000 years ago. They were all apposite, and helped to illustrate the importance and the difficulties which surround this measure. The Bill is a natural corollary to or complement of the Patents Act. The works of both author and inventor are the result of mental energy, the one directed to art and literature, the other to applied science. In both cases those

who have created works of value are undoubtedly entitled to have some special privileges with regard to the remuneration derived from them. But there is a considerable difference in the extent of time to which we are giving exclusive privileges, in the case of an ordinary patent and in that of a copyright. A patent is allowed to continue for fourteen years; a copyright under this Bill for thirty years after the death of the author. While I am not prepared at the present moment to say what action I intend to take on this matter, I think it is well worthy of consideration whether we should not somewhat limit that time in the interest of the great mass of the public who are desirous to obtain works of literature, and who in many cases cannot obtain those works unless they are published in what are termed cheap editions. When this Bill was introduced, the thought occurred to my mind: "Why is such a Copyright Bill necessary, seeing that an Imperial Act applies to the whole of the British Empire, and also that the decisions arrived at by the Berne Convention of 1887 and the Paris Convention of 1896 protect the holders of copyright in the British Empire and in the various countries that were parties to these conventions?" The reason, I think, was stated by one of the speakers in the fact that the British Acts are somewhat vague, and there is a multiplicity of them. There are, I think, some seventeen Acts dealing with copyright on the British statute-book, and there is a great deal of doubt in the minds of people concerned as to their powers under those various Acts. This Bill can only be considered as a compliment to the British Act, and in consolidating the laws of the various States of Australia in one Australian Copyright Act, we shall possibly succeed in reducing the expense of registration, and may enable people to obtain copyright with greater facility. But it seems to me that any person who desires to obtain copyright, after this Bill is passed, will be able to do so in any State, either under the Imperial Act or under the Commonwealth Act, and if this measure is assented to by the Imperial authorities, in both cases the copyright acquired will apply to the whole of the British Empire, and will cover the privileges secured under the Berne and Paris conventions. I do not wish, at this stage, to say anything further, but in Committee I hope to be able to propose some amendments for the improvement of the measure.

Senator GIVENS (Queensland).—I have a word or two to say on the Bill, but I shall not occupy the time of the Senate at any length, because there is very little to be said on the second reading of the measure after the admirable speech delivered by Senator Keating.

Senator MULCAHY.—Do not give the honorable senator too much jam.

Senator GIVENS.—I shall not give him any more jam than I think he deserves. I think he made a very good speech, notwithstanding some opinions which have been expressed to the contrary. I desire to draw attention to the fact that it will be an act of supererogation on the part of this Parliament to pass this Bill in its present form, inasmuch as it will not supersede the Imperial Act, and will not therefore be necessary. Authors in Australia, or authors outside, who may publish their works in Australia, may choose to secure copyright under the Imperial Act and ignore this measure altogether. I do not hold with the idea that the Commonwealth Act should be subservient in the smallest degree to the Imperial Act. Under sub-section XVIII. of section 51 of our Constitution, which is itself an Imperial Act, we are given power to make laws, amongst other things, with respect to copyrights. That power, I hold, is not limited in any way by any Act which the Imperial Parliament may choose to pass, or by any Imperial Act already in force, in so far as future copyright is concerned. I find that by clause 62 of this Bill it is expressly provided that the Imperial Act shall remain in force in Australia. Any one who registers copyright under the Imperial Act may do so, entirely irrespective of our law. Of what use will it be to pass this Bill if we are going to have two laws on the subject in force in Australia? I shall move an amendment in connexion with clause 62 when the Bill gets into Committee, because I consider that we have definite and unlimited powers of legislation with regard to copyright in the Commonwealth. I fail to see why we should make our law inferior or subservient to the Imperial Act, when the Imperial authorities themselves do not claim that we should do anything of the kind. It is quite correct that any rights hitherto acquired under the Imperial Act should not be interfered with by our law, but to say that in future the Imperial law should apply in just the same way as if we had not passed any Commonwealth law would, in my opinion, be absolutely ridiculous. If

that is to be the case, we had better not waste time in passing this Bill. Clause 7 of the Bill provides that the common law of England shall apply throughout the Commonwealth, "subject to this Act." I have no objection to that, provided it is recognised that the common law of England shall apply where it is not in conflict with our law, and that where it is in conflict with our law on the subject it shall not apply. I think that clause 62 should be framed in the same terms, and that where the common law or statute law of England on the subject is in conflict with our Commonwealth copyright law our law should prevail. In common with most other persons, I am firmly convinced that an author or inventor has as much, if not more, right to the product of his brains, ingenuity, or industry than any individual has to any other form of property. I think that he has a greater right, inasmuch as the product of his brains, ingenuity, or industry is something of his own creation which cannot be said of a great deal of property the right to which is fully recognised by this and other Parliaments. For that reason, I gladly hail this attempt to recognise such rights by law. At the same time we should be exceedingly careful to see that any rights which we may give under this Bill shall not limit the rights of other people, and shall not interfere with the welfare of the community. Every author or inventor should remember that he is not the absolute originator of the book which he writes, or the machine which he invents. He is the heir of the accumulated knowledge of all the ages. His product is therefore not entirely his own, inasmuch as he has been enabled to avail himself of the help of the accumulated knowledge of all the people who have gone before him, and it is quite possible that if he had not stepped in another person might have produced an equally valuable work, or an equally entertaining and instructive book. I therefore think that to give a man for a very lengthy period the exclusive right to the publication of a book, whether it be a valuable scientific or a very interesting literary production would be to a certain extent to impose a tax on knowledge. I think that is something which even authors themselves could scarcely claim. If an author is given the right to the exclusive publication of his work during his life time, and for a reasonable term of years thereafter,

or in the alternative for a fixed period of years, that is all he can reasonably expect. For instance, under the English law there is provided a fixed period of forty-two years, or during the author's life, which ever period is longer.

Senator Sir JOSIAH SYMON.—For the author's life, plus seven years.

Senator GIVENS.—That is so, and I think some arrangement of that kind would be better than the provision in this Bill for copyright for the author's life, and thirty years. I am inclined to think that the period allowed by the Imperial statute is too long. If a man and his family have the benefit accruing from the right to the exclusive publication of his work while he lives, and until such time as the members of his family reach the age of twenty years, that is about all that can reasonably be required, and then publication should be free to all. If this Bill be passed as it stands, a man might publish a valuable work at twenty-five or thirty years of age. As a matter of fact, most of the great works have been published by comparatively young men. Chatterton published a volume of poems long before he was twenty years of age. Byron also was a distinguished poet before he had reached the age of manhood.

Senator Sir JOSIAH SYMON.—Burns died at thirty-seven years of age.

Senator GIVENS.—Byron died when he was thirty-six years of age, and we know that a great many writers published valuable works at an early age. Under this Bill a man who publishes a valuable book when he is twenty-five years of age, and who lives to the age of seventy-five years, is given for himself, his heirs, and those to whom he may assign his property, an absolute copyright of that book for seventy years—that is, for thirty years after his death. That period is altogether too long, and I think a reasonable limit of time, in addition to a man's life, should be fixed, or, in the alternative, a reasonable fixed period. I shall move in that direction when the Bill gets into Committee. Again, with regard to the publication of news, it is a well-known fact that, so far as Australia is concerned, newspapers have arranged a sort of combine, or ring, for obtaining news from abroad, and unless the proprietor of a newspaper accedes to the terms of those forming the ring, it is impossible for him to be supplied with news, unless he goes to

the expense, which is entirely prohibitive, of having a news agent abroad himself, and getting news separately cabled to him for his particular use. I think this Parliament should do nothing to assist a combine of the kind I have mentioned to become more harsh in its operations. In some of the States, at the present time, a much shorter period than the twenty-four hours provided for in this Bill is allowed for the exclusive copyright in the publication of news. If a newspaper published in Melbourne in the morning is given six hours' copyright of its news, that should be quite sufficient, because no other newspaper could publish that news, after the expiration of six hours, and continue to call itself a morning newspaper. For instance, if the *Age* were to come out with an exclusive item of news in its first edition, published at 3 or 4 o'clock in the morning, the fact that it would have the exclusive right to the publication of that news for six hours afterwards would render it impossible for any other newspaper to copy it until nine o'clock that morning. Of what use would that news be then to the *Argus*, or to any other morning journal?

Senator STANFORTH SMITH.—The evening newspaper could copy the news.

Senator GIVENS.—Certainly it could; but of what use is stale news in an evening newspaper? We often find news in the evening newspaper published in Melbourne which we do not find in the newspapers published on the following morning. I contend that six hours' copyright would be ample protection for newspapers. Suppose, on the contrary, that an item of news is first published in an evening newspaper, the first edition of which is published about 3 o'clock in the afternoon. It would be 9 o'clock in the evening before it could be copied by any other newspaper. By that time the news would be useless to any newspaper proprietor who contemplated piracy. I therefore contend that six hours is ample; after that period the news should be public property, available for country newspaper proprietors and others.

Senator DE LARGIE.—I should not give five minutes in the case of a close corporation.

Senator GIVENS.—I should allow a reasonable time for copyright in exclusive items of news.

Senator HIGGS.—Supposing there is an exclusive ring?

Senator MCGREGOR.—Yes; a ring which will not allow any one else to join.

Senator GIVENS.—There should be some way of getting at such a ring, and I should do all I possibly could to get at them. It is further proposed in the Bill that a lecturer shall have a copyright in his lecture for the same lengthy period provided in the case of an author of a book. It is quite a common practice for lectures to be fully reported in a newspaper, and, if the subject be particularly interesting, to be copied in part by other newspapers. I desire to know whether the proprietors of the newspapers which thus copy portions of a lecture, will be liable for a technical breach of the copyright law? The Bill seems to be very far reaching in this respect, and would, doubtless, affect people who in no way desire to offend against the law. It will be necessary to scrutinize the measure very carefully in Committee, so as to make it consistent with the protection of the author and the welfare of the public. Publishers in the early stages of copyright law, at any rate, have reaped the main advantages of it, as compared with the authors. At the present time, publishers buy copyrights at very small prices, and if the books subsequently become popular they get a rich return, while the authors very often have to go hungry; in fact, some Australian authors are extremely hungry at the present time. To my knowledge, publishers have, in more than one case, made handsome profits out of copyrights bought at an exceedingly low figure; and some arrangement should be made to prevent an author exercising that absolute freedom of contract which publishers so much favour. Some of the profit, at any rate, should be reserved for an author, notwithstanding any sale he may make; he should not be allowed to give away or part with the whole of the rights conferred by the Act. So long as a publisher may possess an assigned right in a particular work, so long will he clamour to buy such rights at an infinitesimal price. Authors have at all times been a struggling class, and publishers have taken advantage of their position and shamefully sweated them. In other directions, we have legislated somewhat effectively, I believe, to prevent sweating, and I do not see why the same protection, or as much as is possible, should not be extended to the struggling author who has hitherto not enjoyed too much of the good things of life. The principle of the Bill is good, and I shall be glad to see it pass the second reading, and to do what I can to amend the provisions in Committee.

Senator KEATING (Tasmania—Honorary Minister).—I should like to say a few words in answer to the criticisms which have been directed to particular clauses of the Bill. I am very glad to recognise that the disposition of honorable senators who have addressed themselves to the subject is one that indicates a desire to pass an effective and creditable Copyright Bill. Senator Symon, in speaking of the term of protection which it is proposed to confer on authors, and which he desires to alter, showed that he was animated by a very strong desire to place on our statute-book copyright legislation that will be, as he said, a credit to Parliament. Senator Walker, in the course of his remarks, referred to a letter in which Mr. Anderson, of the Public Library, Sydney, pointed out that, under the Copyright Act of New South Wales, certain publications must be supplied to that library. I may say that there is no desire on the part of the Government, in introducing this measure, to take away from that or similar institutions in the Commonwealth any of the rights or privileges which they at present enjoy. After the Bill was introduced, and before the second reading was proposed, I was approached by a representative of the trustees of the Melbourne Public Library, and asked whether the effect of the measure would be to deprive that institution of certain publications now received under the State copyright law.

Senator DOBSON.—I suppose the Minister proposes to treat all public libraries alike?

Senator KEATING.—The treatment of public libraries in this respect is a matter for the States themselves. Those rights and privileges are enjoyed by the libraries under the operation of State law, and I do not think that any provision in the Bill before us will deprive them of any such rights and privileges.

Senator Lt.-Col. GOULD.—I am afraid it will.

Senator KEATING. — It will still be competent for the States to provide by legislation that the publications in question shall continue to be supplied to the libraries. That is not a matter which necessarily comes within the purview of copyright legislation; but, in order that there shall be no doubt whatever, I am having some amendments prepared for insertion in clause 8 to provide that this Bill shall affect the copyright laws of the States only in so far as copyright itself is concerned. That will

insure that the States, in the connexion referred to, will not be interfered with, and may continue to enjoy their rights and privileges as though the present Bill had not been passed, and their own Acts remained in force.

Senator DOBSON. — If a State has no Public Library, this Bill will not confer the privilege?

Senator KEATING.—It is proposed to leave the matter entirely to the operation of States law.

Senator DOBSON.—Could a State afterwards provide that a Public Library shall be supplied with such publications?

Senator KEATING. — Yes, as States provide at present. The supply of these publications to public libraries and other institutions is not made a condition of copyright.

Senator MILLEN.—Why should we use a Federal law to enable these institutions to levy toll on authors?

Senator KEATING.—We are not doing so; we are simply providing that the provisions of this Bill shall affect States Acts only so far as copyright is concerned.

Senator Lt.-Col. GOULD.—Would it not be better to provide that a certain number of copies of publications shall be sent to the Copyright Office for distribution amongst those institutions?

Senator DOBSON.—That would be a better way.

Senator KEATING.—It is not for us to make such a provision in regard to the public libraries of the States. I am not debating the merits of the proposed amendment just now, but merely indicating that the matter received consideration between the first and second readings of the Bill, and that I propose to submit an amendment to remove a doubt about the operation of the existing States laws. Senator Pearce addressed himself to clause 7, and asked whether it was not curious we should enact that the common law of England shall apply in the Commonwealth. Clause 7 provides—

Subject to this and any other Acts of the Parliament, the common law of England relating to proprietary rights in unpublished literary compositions shall, after the commencement of this Act, apply throughout the Commonwealth.

The rights in respect of unpublished literary compositions are not copyrights.

Senator Sir JOSIAH SYMON.—The compositions are the personal property of the writer.

Senator KEATING.—That is so; it is a case of the common law in regard to manuscripts.

Senator Sir JOSIAH SYMON.—Is it necessary to enact the common law?

Senator KEATING.—When a manuscript has been published it may be subject to copyright at common law or statutory copyright; and it is obviously necessary that we should have the common law of England, subject to this Bill, applying throughout the Commonwealth. Senator Pearce thinks that the definition of "artistic work" may be construed so widely as to enable a label to be copyrighted and practically used in the place of a trade mark. When we come to the discussion of that point, we shall have an opportunity to narrow down the definition if it be too wide, though I do not think the discussion will reveal that to be the case. As to the remarks of Senator Pearce and Senator Givens, on the question of cable news copyright, the present position is that in Tasmania the copyright continues for forty-eight hours from publication, while in New South Wales the copyright is for twenty-four hours from publication, but not more than thirty-six hours from the receipt of the cable; that is to say, an owner of a newspaper has no exclusive right to cable news after thirty-six hours from its receipt. In Western Australia, the period of exclusive use is seventy-two hours. I do not know whether in Western Australia, or in the other States, this right is conferred by separate Act, but that is the case in Tasmania; indeed, the only copyright statute in the latter State is the Newspaper Copyright Act. If there be no provision in the Bill with regard to the term of copyright of such news, it seems to me that the Tasmanian Act will remain in full force there.

Senator PEARCE.—In the other States not mentioned, there is no copyright in news.

Senator KEATING.—There is no statutory copyright; what rights there may be in this respect at common law have not been determined, so far as I know. Senator Pearce also referred to clause 54, which deals with the power of the owner of the performing right in a musical or dramatic work to forbid performance in infringement of his right. To deal with this point, I am having prepared a clause which will provide that if a person falsely represents that he is the owner of a copyright or performing right, or that he is the agent of any such owner,

he shall be guilty of an offence, the punishment for which shall be imprisonment. Of course, a person has every right to give such notice if he has reasonable cause to believe that some one is going to infringe his right. Senator de Largie says there is no demand on the part of the public for any legislation of this kind, and he does not clearly realize why it is necessary. In Great Britain the copyright statutes are of the character I described when I quoted from Mr. Scrutton's excellent little work on the law of copyright. There is no harmony in them; they are, as he says, ill-drawn; they leave a considerable amount of doubt as to what are the rights of authors and those whom they purport to protect. In addition to Imperial legislation operating in Australia, we have Copyright Acts in the different States conferring different terms of protection, and subject to varying conditions. To some of these laws I referred in my opening speech. It is desirable that we should have a harmonious and uniform system of copyright law for the six States. Again, owing to the defective state of the law, a considerable amount of piracy has taken place in times past. We have endeavoured by the Customs Act to prevent the importation of pirated reproductions of a copyrighted work, but we have not always been as successful as we wished to be. When we reach the clauses in Committee, I shall be able to give Senator de Largie and others illustrations of how persons who have been the owners of copyright, particularly in artistic works, have been victimized in Australia by the way in which pirated reproductions of their works have been brought in and sold at a very small value. I do not think that Senator de Largie need apprehend that the administration of the measure will be so expensive as to constitute a burden on the general revenue. It may be provided by regulations in connexion with registration that such small fees shall be paid as will to some extent tend to balance the revenue with the expenditure. The honorable senator also asked a question in regard to copyright in articles supplied to newspapers or magazines by a paid writer, and on that point I direct his attention to clause 22. The other criticism came from Senator Givens, and dealt with the operation of Imperial legislation.

Senator DE LARGIE.—Which office is going to administer the Bill—the Patents Office?

Senator KEATING.—Most likely it will be administered by the Department of Trade and Customs. As Senator Givens indicated his intention to bring up in Committee the matters to which he referred, perhaps it will be better to reserve their discussion until that stage is reached.

Senator WALKER.—The Minister does not propose to provide for copyright in designs.

Senator KEATING. — No, that will form the subject of a separate Bill. I hope we shall have the opportunity of bringing in that Bill during the present session, and getting it put through, so that we may complete the scheme of legislation on which we entered when we passed the Patents Bill.

Question resolved in the affirmative.

Bill read a second time.

*In Committee:*

Clause 1 agreed to.

Senator KEATING (Tasmania—Honorary Minister).—In moving—

That the Chairman report progress, and ask leave to sit again,

I wish to indicate that I heard the representations made by some honorable senators in discussing the second reading. I think it might facilitate the consideration of the measure if some information of the character they referred to were supplied to them. Originally it was my intention to have a memorandum prepared on this highly technical Bill, which would help honorable senators to understand its provisions. Before the consideration of the Bill in Committee is resumed, I shall endeavour to get such information supplied to them as will enable them to properly approach its consideration.

Senator MILLEN.—Will the honorable and learned senator fix a date, so that those honorable senators who may not be in Victoria when the memorandum is distributed will have an opportunity of seeing it before the consideration of the Bill is resumed?

Senator KEATING.—I shall endeavour to get the memorandum ready for honorable senators by to-morrow.

Senator Sir JOSIAH SYMON (South Australia).—I am very glad that the Minister has adopted this course.

The CHAIRMAN.—A motion to report progress is not debatable, and if this debate is to be continued it must be understood that it does not establish a precedent.

Senator Sir JOSIAH SYMON.—I did not rise to debate what the Minister said, but rather to ask a question, because even to a lawyer the subject of copyright is not a familiar every-day one. It is a good many years since a copyright case has been tried in my State. I was going to ask the Minister if the particulars in the memorandum he proposes to prepare will refer to the different clauses on which he thinks information is necessary, in order that we may be able to apply to their consideration a reasonable appreciation of the very complex and multifarious legislation that exists?

Senator KEATING.—Yes.

Senator Sir JOSIAH SYMON.—Perhaps the Minister will intimate when he is likely to bring the measure on again in Committee?

Senator KEATING.—On Wednesday next. Question resolved in the affirmative. Progress reported.

Senate adjourned at 5.39 p.m.

## House of Representatives.

*Wednesday, 30 August, 1905.*

Mr. SPEAKER took the Chair at 2.30 p.m., and read prayers.

### PETITIONS.

Sir LANGDON BONYTHON presented five petitions from certain residents of South Australia, praying that stringent legislation be enacted to prohibit the importation and sale of opium for smoking purposes within the Commonwealth.

Mr. HUTCHISON presented seven similar petitions from residents of South Australia.

Mr. GLYNN presented four similar petitions from residents of South Australia.

Petitions received.

Mr. CHANTER.—Referring to the point of order taken by the honorable member for Kennedy yesterday, in regard to a petition presented by the honorable and learned member for Wannon, I should like to know, Mr. Speaker, if you have yet arrived at a decision in the matter?

Mr. SPEAKER.—I said that I would look through the petition, and if I found that it was one which should not have been received, would report the fact to the

House. I have looked through it, but as I did not come to the conclusion that it should not have been received, I have no report to make.

### CONDUCT OF BUSINESS.

Mr. WILKS.—I wish to ask the Prime Minister a question in regard to the following paragraph, which has appeared in the *Melbourne Age*.—

The Federal Labour Party is prepared to support the Prime Minister in any measures he may see fit to take to secure speedier progress with legislation in the House of Representatives. If the Opposition resents the application of the new 11.30 p.m. closing time rule, members of the party are willing to assist the Government by providing relays to form a quorum during any all night sittings which may become necessary. Labour members freely say that Mr. Deakin must be prepared to fight the organized obstruction of the Opposition without mercy for the rest of the session if he is to see legislation now in suspense passed into law. The policy of "graceful concession" must be frankly abandoned when dealing with the Cooks, Wilks, or Sydney Smiths.

Is there any foundation for the statement that the Prime Minister has made, or is making, such an arrangement with that section of his supporters, known as the Labour Party, who are acting as galley slaves to this Government, and who are so desirous of repressing the right of criticism and the free discussion of political measures?

Mr. DEAKIN.—On behalf of the House, I take exception to the phrase which the honorable member has applied to a section of it, which is indefensible in regard to any party. The paragraph referred to was published without my knowledge, and the statement it contains is news. The honorable member for Corangamite has publicly alluded to possibilities of the same kind, but I do not attribute it to him. So far from desiring to take advantage of any arrangement to suppress criticism, I agreed with the honorable member for Dalley last evening that at 10.45 p.m. I would accede to the request of a member of the Opposition, whom he named, that progress should be reported. I was, therefore, surprised when the honorable member for Darwin rose to speak, but when he informed me that he could not conclude his speech before 11.30 p.m., felt that I could not refuse to him a courtesy which had already been promised to a member of the Opposition.

Mr. WILSON.—The suggestion that I have given to the *Age* the information on which the paragraph referred to is based



is without foundation. That journal is not in the habit of coming to me for information, nor would it be likely to publish any information that I might give to it. The remarks which I made recently outside were made on my own responsibility, and without consultation with any member on this side of the Chamber. I was not present on Friday last, when the Prime Minister made an announcement as to the future conduct of business, but I read in the press that he had said that he intended to force members to sit late, and I replied that, if that was to be done, I would be prepared to meet force with force.

Mr. KING O'MALLEY.—If an understanding has been arrived at between the Prime Minister and the honorable member for Dalley, that a member of the Opposition should open the discussion on the Budget this afternoon, I am ready to give way.

Mr. DEAKIN.—The understanding was only in regard to the hour of adjournment last night.

#### IMMIGRATION RESTRICTION ACT.

Mr. ROBINSON.—Referring to the answer given by the Prime Minister yesterday that "exemption certificates are not generally used in connexion with British subjects," I would like him to state what steps must be taken, either in Australia or in Great Britain, by an employer who wishes to bring here labour under contract, or by an employé who wishes to come here under contract? Where must such steps be taken?

Mr. DEAKIN.—It was intimated, when the first case in connexion with the Act arose, that the proper course to follow in such instances would be to send the terms of the proposed contract to the Government, while the proper Department to address, either within Australia or from beyond the Commonwealth, would be the Department of External Affairs.

Mr. WILSON.—I learn from a paragraph in one of this morning's newspapers that it is the intention of the authorities of the Church of England in South Australia to import a Bishop from England. I should like to know, for the information of the public, what proceedings must be taken by them to provide for his introduction?

Mr. CONROY.—In view of the importance of this subject, I ask the Prime Minister if he is prepared to amend the Act, so as to make it clear that passports are not required by British subjects coming here,

and that its provisions apply only to men coming out under contract to fill the places of others on strike.

Mr. DEAKIN.—Whenever the amendment of this or any other Act is intended, it will be a matter of Ministerial policy which will be duly communicated to the House.

#### RUSO-JAPANESE WAR.

Mr. CROUCH.—Seeing the importance to us as a Pacific Power of the war in the East, I ask the Prime Minister if he is able to announce to the House the receipt of any official communication in regard to the declaration of peace between Japan and Russia, which is alleged to have been concluded?

Mr. DEAKIN.—There is no official information. If there were, it would have been my duty to convey it to the House. I am informed, however, that the assertion is made by the cable correspondents who serve almost the whole of the Australian press that peace has been officially declared. If that intelligence be true, and there is good reason to believe that it is, no more welcome news has reached this Commonwealth for many months past. The cessation of this sanguinary and costly war will be hailed with the greatest satisfaction by peoples all round the world, and nowhere will the restoration of friendly relations in the East, and the developments which we trust will follow the declaration of peace, be more hopefully hailed than in the Commonwealth.

#### QUARANTINE AND LIGHT-HOUSES.

Mr. HUTCHISON.—Have the Government considered the advisability of taking under the Constitution powers in regard to the control of quarantine, light-houses, &c.? If so, do they propose to do this at an early date?

Mr. DEAKIN.—The matter is under consideration, and, if time will permit, will probably be submitted this session.

#### EXPORT OF AUSTRALIAN HARVESTERS.

Mr. ROBINSON asked the Minister of Trade and Customs, *upon notice*—

Whether he will inform the House how many "Stripper Harvesters" of Australian origin have been exported from 1st July, 1904, to 1st August, 1905, and to what places?

Sir WILLIAM LYNE.—In reply to the honorable and learned member I have to state:—

Number exported (1905), 252. Destination—Argentina, Algeria, Cape Colony, Italy, Tunis.

Prior to 1st January, 1905, no separate record was kept of the imports and exports of stripper harvesters as distinct from agricultural implements, therefore no particulars can be given for the year 1904.

### NEW SHORT SERVICE RIFLES.

Mr. CROUCH asked the Minister representing the Minister of Defence, *upon notice*—

1. In the new short service rifles issued to the Light Horse, is it true that these have no "cut off" to the magazines?

2. Is it safe to issue rifles under such conditions?

3. Were these rifles sent in this condition by the British War Office; and is it further true that no bayonets have been supplied with these rifles?

4. What action does the Minister of Defence propose to take under the circumstances?

Mr. EWING.—I have been supplied with the following answers:—

1. Yes. The Department in this are following the lead of the War Office. In the Imperial service the "cut off" is only provided for the short rifle for use by the Naval Force.

2. The "cut off" is provided so as to temporarily convert the magazine rifle into a "single loader," and not for purposes of safety.

3. (a) Yes; the rifles were sent out from the War Office without "cut offs."

(b) No bayonets were ordered as it is proposed to make use of our large stock of triangular bayonets by having them locally converted into a "rapier" bayonet. Designs are now under consideration.

4. It is proposed, for the present, to follow the Imperial practice.

### HORSHAM-WARRACKNABEAL TELEPHONE.

Mr. ROBINSON asked the Postmaster-General, *upon notice*—

1. Whether he is aware that telephonic communication between Horsham and Warracknabeal was authorized some considerable time ago?

2. When is such communication likely to be established?

Mr. AUSTIN CHAPMAN.—The answers to the honorable member's questions are as follow:—

1. Yes.

2. Communication by the condenser system was established on the 8th of July last, and reported to be satisfactory. Since then some difficulty has arisen, and it has been reported that conversations are not now practicable. The matter is re-

### DEPORTATION OF KANAKAS.

Mr. R. EDWARDS asked the Prime Minister, *upon notice*—

1. Whether his attention has been directed to a judgment recently delivered in Canada by Mr. Justice Anglin to the effect that no British Colony could exercise extra-territorial rights with regard to the expatriation of aliens without direct authority from the Imperial Parliament?

2. Will the Prime Minister take steps to ascertain if this is a correct inference to be drawn from Mr. Justice Anglin's judgment?

3. In case that it is so, would the Commonwealth legislation respecting the deportation of kanakas be indirectly influenced?

Mr. DEAKIN.—The answers to the honorable member's questions are as follow:—

1. There are newspaper references to a judgment by Mr. Justice Anglin, who is a Judge of a Provincial Court, but no report of the judgment has yet been received, and I therefore cannot say what its effect is.

2. The authorized report will probably be received in due course.

3. In any case, the differences between the Constitution of the Dominion and that of the Commonwealth are so great that it does not follow that the Canadian decision would apply here.

### BUDGET.

*In Committee of Supply* (Consideration resumed from 29th August, *vide* page 1625), on motion by Sir JOHN FORREST—

That the item, "President, £1,100," be agreed to.

Mr. KING O'MALLEY (Darwin).—I am sorry that there should have been any misunderstanding with regard to my action in requesting an adjournment of the debate last night. I can assure honorable members that I did not speak to any one on the subject, except the honorable member for Dalley, to whom I intimated that I should like to speak to-day, if an opportunity presented itself. I did not consult the Prime Minister, or ask him to afford me any advantage over other honorable members. I take my chance just the same as any one else, and I hope I shall never ask for any privilege that I am not prepared to extend to others. I desire to congratulate the Treasurer on the manner in which he presented his first Budget. We have been accustomed to have the Budget presented by the right honorable member for Balaclava, who is regarded as a Treasurer quite out of the ordinary. Therefore, it is a great mistake to compare the Budget of any other Treasurer with those to which we have become accustomed. The right honorable member for Balaclava has been in the habit

of presenting to us our financial affairs in wonderful detail, as well as in the aggregate, whilst the Treasurer has upon this occasion given us great aggregation. I like a man who sees hope in everything, and I detest those who look to the past, and worry themselves about what happened a thousand years ago. I am glad that the Treasurer has given a word of cheer to the whole financial world as to the position and prospects of Australia. The right honorable gentleman laid great stress upon the necessity for bringing more population into Australia. I would ask, however, whether it is desirable that we should have in this great country hopeless, starving, miserable millions, such as are to-day almost a curse to Europe and America. This is one of the great questions of the age. Before we bring more people from the older countries of the world to Australia, we should amend our land legislation. When there are fifteen or twenty people waiting to utilize one property, the property-holders exercise too much power. If, upon a small island, with a population of 10,000 or 15,000, the whole of the land were owned by two or three men, the land-holders would own the people just as completely as the slave-owners owned the niggers on the plantations before the great civil war of the United States. *Coghlan*, at page 1,017, says:—

It will be seen that the unemployed comprise a considerable section of the community. No information is available regarding the number in Queensland, but in the other five States of the Commonwealth there were 50,644 persons—42,882 males, and 7,762 females, who had been unemployed for a week or more at the date of the census. These figures represent 3·6 per cent. of the total number of workers, and are but little in excess of those for the same Colonies in 1891, when the total was 50,319, consisting of 43,497 males, and 6,822 females, the proportion of the total number of workers being 4·3 per cent. Although the number of the unemployed in 1891, as stated above, was 50,644, it must not be considered that all these persons were without employment, as a fairly large proportion of them consisted of workers temporarily incapacitated through sickness or accident.

Should not our politicians see that the 50,000 people out of employment are provided for before we bring any more people here. That is my objection to further immigration at present. If we introduced large numbers of people here to crowd our cities, we should bring about conditions similar to those which now prevail in New York, London, Glasgow, Chicago, Liverpool, and other large cities. In a speech

which he delivered at San Francisco on 3rd April, Rider Haggard said:—

We face yellow peril now. The crowding of slums of large cities breeds race suicide, and then Mongol hordes will sweep over us. The East has not the evils of the Occident.

I would urge that before we become charitable to people abroad, we should look to the interests of our people at home. I could take the Treasurer into many parts of the city of Melbourne, and show him hundreds of men and women who are virtually on the brink of starvation, who do not know where to obtain their next meal or their bed for the coming night. The Premier of Victoria, who, in my opinion, is the best Premier Victoria has ever had, and who is showing that he is endowed with brains and with profundity as well as rotundity, is doing everything possible to relieve the unfortunate unemployed. If it is desired to increase the population of Australia the Government should take possession of the large landed estates. I do not mean that the land should be confiscated, but that such legislation should be passed as would convince large land-holders that the property they hold was intended for the sustenance of human beings rather than of sheep. We should endeavour to induce the various States to pass such laws as would compel land-holders to utilize their properties to the fullest possible extent, or part with their holdings. I do not believe in confiscation, but, at the same time, I do not approve of land-holders exercising power to which they are not entitled. A great deal has been said on the question of raising revenue. It appears to me that under the party system of responsible government, too much power is wielded by Ministers, as compared with other members of the Legislature. In all questions relating to the finances brought before the House we have the benefit of the product of the brains of seven men, instead of the product of the brains of the whole of the members of Parliament. Surely seven men cannot, unless they include in their ranks a modern Napoleon or an Alexander Hamilton, possess more brains than the other members of this Parliament. The curse of responsible government is that Ministers bring down such a policy as their environment suggests, and, apparently, no one else is in our case in a position to propose any other means of raising revenue than the Customs and Excise duties. The Treasurer says that the people of Queensland

have in their pockets the money which has been lost by the Queensland Treasurer owing to the operation of the Federal Tariff. I can assure the right honorable gentleman that the people of Tasmania wish that they had in their pockets the money lost to the revenue. Suppose that Queensland or Tasmania had a number of factories employing 40,000 or 50,000 persons, the money paid to the operatives would be placed in circulation and contribute to the prosperity of the community, whereas the money saved under the conditions referred to by the Treasurer lies useless in the pockets of a few. Now, referring to Defence matters, it appears to me that we are spending altogether too much money. Our expenditure amounts to 6s. or 7s. per head of the population of the Commonwealth, and I would ask what we are frightened of? We are fighting phantoms. If, as some people fear, Japan has designs upon Australia, should not we, a mere handful of 3,000,000, be absolutely helpless against them? Yet we are spending hundreds of thousands of pounds annually upon forts, military accoutrements, and useless trappings, to guard ourselves against invasion by a power which is now friendly to the nation to which we belong. In fact, only lately, Great Britain withdrew her fleet from the Eastern seas. Since France became the friend of England, the latter Power has withdrawn her fleet from the Eastern seas, being content to absolutely trust her ally Japan. Yet, day after day we hear, not alone military men in their gilt braid and spurs and their peacock feathers, but also members of Parliament and business men, talking about Japan conquering this country. In so speaking, they are actually inciting Japan to attempt the conquest of Australia. Japan is the ally of this country, the ally of England, of France, and of America, and these nations are all trading with each other. They are selling their goods to each other. They are doing business of all descriptions with each other, and are not talking about attacking each other's country.

Mr. McWILLIAMS.—We shut out the Japanese.

Mr. KING O'MALLEY.—Nations can do as they choose in their own country. No white man can own a piece of land in Japan. I know of various companies which sought to establish themselves in that country, but they could only erect buildings and own property through the medium of Japanese. A nation within its own terri-

tory is a sovereign entity, and that entity can pass laws to suit itself. Japan has enacted legislation to suit her own people, and under those laws no white man can own property there.

Mr. WILSON.—He can go there as a visitor.

Mr. KING O'MALLEY.—The Japanese can come here as visitors. My objection is that we are spending enormous sums of money upon military defence—upon guns which will be obsolete within ten years.

Mr. KELLY.—The honorable member gets his boots cleaned every morning, and yet they are dirty before nightfall.

Mr. KING O'MALLEY.—The honorable member can get his boots cleaned three or four times a day, but a worker like myself cannot do so. I maintain that if we set out looking for trouble we shall find it. If the biggest prize-fighter in Melbourne were to walk down Bourke-street to-morrow with a chip on his shoulder, he would find somebody ready to knock it off. I am surprised that in Australia, which possesses greater resources than does any other country in the world, persons should be continually talking about its conquest by some foreign nation. I object to such statements, and I protest against the proposed expenditure upon defence.

Mr. JOSEPH COOK.—Does the honorable member say that there is no need for us to make provision to defend ourselves?

Mr. KING O'MALLEY.—There is not the slightest reason for so doing.

Mr. McWILLIAMS.—I suppose that we are to sponge upon England for all time?

Mr. KING O'MALLEY.—For thirty years in America I heard the statement made that England intended to invade that country. Every morning some newspaper would announce that the British fleet had been seen off Newfoundland, and that British troops might be landed upon American soil at any time. Naturally, the people were worked up to such a pitch that nearly every Yankee used to sleep upon his Winchester rifle. I object to the waste of money that is proposed upon the Defence Department. It is utter waste. Instead of spending that money in accoutrements and in nonsense that is really injurious to the Commonwealth, it should be spent upon the encouragement of closer settlement.

Mr. JOSEPH COOK.—I thought that the honorable member believed in insurance.

Mr. KING O'MALLEY.—I believe in peace, in commerce, and in justice.

Mr. JOSEPH COOK.—And in insurance.

Mr. KING O'MALLEY.—That is included in the matters I have mentioned. If the sum which it is proposed to expend upon defence were handed over to the States Treasurers for the purpose of enabling them to place people upon the land, the railways of the Commonwealth would pay. I say that we should pension off our military men. Let them come and dance with the young ladies of the town, and enjoy themselves. But we should waste no more of the taxpayers' money upon these military phantoms, which are conjured up for the specific purpose of creating a scare which does not exist. Great Britain has confidently withdrawn her fleet from the Eastern seas—according to American newspapers—and is willing to trust Japan and France, her allies. America has not yet withdrawn her fleet from Manila, but now that peace has been concluded between Russia and Japan she will doubtless do so. I claim that it is not necessary to waste money upon the maintenance of an army in Australia.

Mr. JOSEPH COOK.—Are the Americans going to blow up their ships?

Mr. KING O'MALLEY.—They are not going to blow anybody up, because there is no necessity for them to do so. I contend that we are mad upon the question of war in Australia. Ever since I landed here, some sixteen years ago, I have heard of nothing else. Some years ago I was in Tasmania when it was generally declared that a Russian fleet intended to effect a landing there. Now, the Russian fleet is at the bottom of the sea, and I would suggest to the Treasurer that we should limit the expenditure upon defence for a period of twenty years, and gradually retire our military officers.

Mr. JOSEPH COOK.—Is the honorable member voicing the views of the caucus?

Mr. KING O'MALLEY.—No; I am speaking entirely for myself. Everybody is aware that my honoured chief is very strong upon defence matters. In fact, he has gone a bit mad upon that question, just as most honorable members have gone crazy upon the subject of war. The Treasurer has stated that the scheme for arming our Military Forces and equipping them with the most modern rifles—and it should be remembered that the most modern rifles now will be antiquated in a couple of years—will cost £520,000, or \$2,600,000. I well remember when the old shot-gun was in use.

It had to give way to the Winchester rifle, which in its turn has been superseded by improved weapons. I would not object, if it were necessary, to a proposal for the foundation of a navy, or—if honorable members thought it better—to entering into a contract with the British Government, under which a greater number of Imperial ships would be stationed here to defend Australia, should it ever become necessary to do so. If honorable members think it incumbent upon them to waste money upon some kind of military or naval business, let them do as I have suggested. But I shall enter my protest against this expenditure, even if I am the only member of the Labour Party to do so. I now come to the question of the sugar bounties. Whilst I intend to vote for the Government proposal in this connexion, I shall do so very reluctantly, because I am satisfied that the bounty will not cease at the end of five or six years. No honorable member ever knew a man to relinquish a good thing.

Mr. KENNEDY. — Would the honorable member do so?

Mr. KING O'MALLEY.—No, I never did. I have never known any man or woman to sacrifice a good thing. It is when they grow tired of bad things that they desire to get rid of them in order to obtain good things. The little State of Tasmania is called upon to contribute her proportion of the sugar bounty. There is no doubt that the Colonial Sugar Company will derive the most benefit from the Government policy in connexion with the sugar industry. The gentlemen who are interested in that company bloat about drawing-rooms, and enjoy themselves at the expense of the potato grower of Tasmania. With regard to the sugar bounty, I know that some members of the Labour Party are in favour of it.

Mr. McDONALD.—It is not a party question.

Mr. KING O'MALLEY.—I feel exceedingly doubtful as to the policy of the bounty, and if I finally made up my mind to vote for it, I should do so with very great misgiving. I now come to the question of the Braddon blot. What is it? It is a sort of constitutional machine for the destruction of the rights, powers, and privileges of Commonwealth representatives in Parliament. Why do the States desire to continue the operation of a section in our Constitution which carries its own condemnation upon its face? Why did we

federate? Why was the union formed? When a man enters into partnership with another individual he does so from a desire to better his financial position. The States having entered into a partnership, I contend that the strong should bear the burdens of the weak. I desire to be perfectly candid. Prior to Federation the States were a segregation of wrangling political nonentities. That condition of affairs has now passed away, and we have become a great continental nation—a nation of partners and of friends. We have removed all the artificial barriers which existed between the States. That being the case, the Braddon blot should be removed from our Constitution, and the Treasurer of the Commonwealth should not be compelled, when he requires a certain amount of revenue to assist the necessitous States, to raise four times the sum that is requisite to give effect to his desire. Under existing conditions, the Commonwealth Treasurer is absolutely hobbled, handcuffed, and shackled. What would honorable members think if the Treasurer of the United States were compelled to consult forty-eight States and two territories, or forty-six States and four territories, before he could advance £1 to assist Colorado, Nevada, or any other State of the American union? That is exactly the position in which the Braddon blot places this Parliament to-day. I claim that the whole of the Commonwealth revenue should be placed in one general fund, and that the necessitous States ought to receive advances from that fund, although not more than the amount to which they are legitimately entitled. There ought to be no such thing as an endeavour to make some States bankrupt. But that is the position in which the Braddon blot will place us. A broad-minded Treasurer like the right honorable member for Swan should have the courage to inaugurate a truly Australian policy, under which, instead of pouring millions into the coffers of a State that did not require the money, he would say, "This revenue shall be distributed as the States need it for their development." The money should be distributed proportionately, and on reasonable lines. I am opposed to the Braddon blot, because it is based on injustice. The Commonwealth will never be able to establish a system of old-age pensions, or to consider any financial proposal calculated to be really beneficial to the people of Australia, while the Braddon blot remains in the Constitution.

— *King O'Malley.*

Mr. McWILLIAMS.—It is the salvation of the smaller States.

Mr. KING O'MALLEY.—We hear again the voice of the provincialist. I regret that such a remark should have been made by the honorable member for Franklin, because he generally shows the possession of a broad mind. But, after all, the influence of environment is remarkable. I am thankful that I was born in a great continent—that I breathed the air of the white mountains of New Hampshire and Vermont. When one lives under such conditions, he has broader ideas than have others.

Mr. WILKS.—Why did the honorable member leave that country?

Mr. KING O'MALLEY.—Because of the Scriptural injunction to go into the world and preach the gospel unto the heathen. I am also opposed to any extension of the bookkeeping period, for I regard it as another fraud on the Commonwealth. It served a useful purpose at the outset, because it induced some of the antiquated, fossilized relics of the dark ages who then occupied positions of prominence, and were frightened of their own shadows, to support the union. Something had to be done to encourage the States to come in, and the bookkeeping clause was devised to that end. I remember a time, in the history of Canada, when Sir John Macdonald would have been mobbed by the people if an opportunity had occurred; but the day came when Canada gloried in the movement in which that distinguished man took so prominent a part. Every man who proposes something that is out of the beaten path—something to which the crowd is unaccustomed—is regarded as a faddist or a fool, and it is not until after his death that the people realize, as a rule, that he had brains. I come now to the question of the transfer of the States debts. I must confess that I was amazed to learn that the right honorable member for Balclava was in favour of the Commonwealth taking over the whole of the debts of the States. I cannot help recalling to mind what was done by the Dominion of Canada in this direction. Why should the European holders of the bonds, stocks, and Treasury bills of the States, who invested their money on the strength of the guarantee of the various States, be allowed to come in, and obtain the guarantee of the Commonwealth that will put millions into their pockets, while, at the same time, they do nothing to enable the Commonwealth to

meet future obligations? Let us consider the question for one moment. According to the Treasurer, the States debts now amount to £234,000,000, and of that amount no less a sum than £32,000,000 has been borrowed since the establishment of the Federation. If ever there were "Jubilee plungers," or bettors on the credit of the States, those who have been responsible for the public loans raised since the inauguration of the Federation may be justly described as such. And yet these men speak of the extravagance of the Commonwealth. As a matter of fact, the Commonwealth is only an infant in its swaddling clothes as compared with the States which have raised £32,000,000 within the last four years. States debts amounting to something like £23,000,000 will fall due in the course of the next few years, and I absolutely agree with the suggestion made by Mr. Speaker, when a member of the Federal Convention. I believe the Legislatures of the various States should pass enabling Acts giving the Commonwealth power to negotiate for the redemption of their loans as they fall due. That power should be given to the Commonwealth without delay, so that the experience of Victoria some eighteen months ago, when she had to pay an enormous bonus in connexion with a conversion loan, may not be repeated. If the underwriters concerned had been Hottentots, or cannibals, they could not have attacked the people of Victoria more savagely than they did on that occasion. It is better to eat up a man, than to eat up all that he has, and yet that is what the financiers did in the case of Victoria. The power to negotiate for the redemption of State debts, as they fall due, should be extended to the Commonwealth, and as soon as that power has been vested in the Commonwealth Government, negotiations should be entered into with a view to give effect to it. Is there one State in the union which could ascertain to-morrow the names of the holders of its stocks? With the exception of South Australia, there is not. Most of the States Treasurers of days gone by feared that they had not the ability to negotiate the necessary loans, and they accordingly farmed out the work to banking companies in England. The banks in turn farmed it out to underwriters, who sold these stocks to various investors. The underwriters know who are the holders of the various stocks of the States, but, as I have said, the Treasurers of the States, with the exception

of the Treasurer of South Australia, do not.

Mr. McWILLIAMS.—Is that a matter of much moment?

Mr. KING O'MALLEY. — It is a matter of great importance, as I shall be able to show. If the honorable member were doing business with men all over Australia, would he not find himself in an awkward position, if he left the whole of the financial side of his business to be attended to by a bank? What would be his position if, as his bills fell due, he was told by the bank, "We cannot tell you who are the holders of your bills"? If he could see the holders of his bills and tell them personally of the security he was able to afford them, he would do much better than he would if he had to depend upon the intervention of a third party. To the everlasting credit of the right honorable member for Adelaide, be it said that, as Premier of South Australia, he intrusted the Agent-General with the work of inscribing the stock of the State—a work hitherto done by the banks. When the Agent-General of South Australia sends out the warrants for the payment of interest on State loans, he is able to say who are the holders of the bonds and stock. Many of the one-time Treasurers of other States, who handed over the floating of loans to various banking institutions, have gone to their graves covered with honour as State financiers; but if such a system can be described as financing, then it is the easiest thing in the world to become a financier. Let me give another illustration of the difficult position in which the States have been placed by the adoption of the practice to which I have referred. The *Age* and *Argus* are powerful, well-conducted journals, but if their proprietors farmed out their daily distribution and the collection of advertisements, they would be unable to ascertain what was the reason for any falling off.

Mr. McWILLIAMS.—They do farm out their distribution, to a great extent.

Mr. KING O'MALLEY.—That is so; but they closely supervise the work. I know of a case in which the publishing department of one of the newspapers called for an explanation from a lady agent, because it appeared that the opposition paper was securing an increased circulation in the district in which she carried on business. In order to give the holders of States bonds confidence in the Commonwealth we should

first of all carry the motion, of which I gave notice some time ago, providing for the imposition of a direct unimproved land tax. I have carefully considered the matter, and have ascertained that we could, by this means, raise from at least £1,200,000 to £1,500,000 per annum. Before we talk of taking over the debts of the States, the interest on which, according to the Treasurer, exceeds the whole of the revenue of the Commonwealth, we ought to prove to investors in Great Britain and Europe that we have the means to meet Australian bonds and stocks as they fall due, if they are not prepared to enable us to float conversion loans. That means is to be found in the imposition of a direct unimproved land tax. I would exempt the small land-holder.

Mr. WILKS.—Why should he not bear his share?

Mr. JOHNSON.—If an exemption were proposed the scheme would be destroyed.

Mr. KING O'MALLEY.—I am a great believer in the system of small holdings. Have honorable members ever heard of a man who was willing to fight for his boardinghouse-keeper? Have honorable members ever heard of a man who would shoulder his rifle for the sake of defending his boardinghouse? I do not think they have. But we all know that a man will fight for his wife and children, and his own little home.

Mr. MCWILLIAMS.—I thought the honorable member wished to nationalize the land.

Mr. KING O'MALLEY.—So I do; but the trouble is that I cannot induce honorable members to seriously consider the question. Some honorable members accept an invitation to dinner at one of the big clubs, where they hear various statements made about the Labour Party, and then come back with unfriendly feelings towards that party. As a matter of fact, the Labour Party is a thinking body—it does not think by proxy.

Mr. CONROY.—The honorable member is the only member of it who has been able to say a word with regard to the Budget statement.

Mr. KING O'MALLEY.—We propose to have a little to say on the Budget now. My suggestion is that the Commonwealth should impose a land tax and a heavy absentee tax on the incomes of the slanderers and defamers of their country's name, who live in Europe, and to whom the Treasurer referred in his Budget speech. The

following motion, of which I gave notice during the sittings of the first Parliament, contains my proposition:—

That in view of the facts—

1. That during many years the Governments of the several Australian States have been prodigal floaters of loans on the English money market, with the result that at present the six States are loaded with the dead weight of a foreign debt to the enormous amount of over £215,000,000—a sum which requires over £7,800,000 to meet the interest bill.

Our debt is now £234,000,000, and the interest on it over £8,000,000 a year.

2. That no provision exists among the States (with the exception of South and Western Australia) for a practical sinking fund for the redemption of this huge debt.

3. That it is absolutely necessary to establish a fund similar to that in existence in Western Australia in order to rehabilitate the credit of the States—most of the profits produced by this borrowed money having gravitated into the pockets of the large landed proprietors in the form of unearned increment, in consequence of the expenditure on public works.

4. That it is advisable, in the interests of the States and Commonwealth, that large estates should be cut up into small holdings for *bond fide* settlers on perpetual leases, thus preventing the emigration of our healthy, able-bodied young men to foreign countries, in consequence of their being unable to secure homes in the land of their birth.

This House is opinion that the Government should introduce a Bill for the purpose of imposing a graduated land and absentee tax, on the following unimproved capital value basis (no taxation being imposed on improvements, however costly):—

1. (a) Land of the unimproved capital value of £2,000, or less, to be exempt from taxation.

(b) Land over the unimproved value of £2,000, and under £20,000, to pay ¼d. per £1.

(c) Land of the unimproved value of £20,000, and under £40,000, to pay ¾d. per £1.

(d) Land of the unimproved value of £40,000, and under £75,000, to pay 1d. per £1.

(e) Land of the unimproved value of £75,000, and under £100,000, to pay 1½d. per £1.

(f) Land of the unimproved value of £100,000, and under £150,000, to pay 1½d. per £1.

(g) Land of the unimproved value of £150,000, and under £200,000, to pay 2d. per £1.

(h) Land of the unimproved value of £200,000, and under £250,000, to pay 3d. per £1.

(i) Land of the unimproved value of £250,000, and under £300,000, to pay 4d. per £1.

(j) Land of the unimproved value of £300,000, and under £350,000, to pay 5d. per £1.

(k) Land of the unimproved value of £350,000, and under £400,000, to pay 5½d. per £1.

(l) Land of the unimproved value of £400,000, and above, to pay 6d. per £1.

2. Absentee landed proprietors to pay double the amount of the foregoing rates.

3. A portion of the proceeds to be utilized for the purpose of establishing a system of national old-age pensions, and the balance to be placed



in a reserve fund to partially redeem the several State loans as they fall due.

4. That this motion, when carried, be an instruction to the Attorney-General to prepare the necessary measure. When this becomes law it will shift the incidence of cruel taxation from the backs of the small holders to that of the Monopolistic Boodle Bludgers who have turned the people's heritage into a sheep-walk.

We can raise from £1,200,000 to £1,500,000 annually, and I suggest that the Commonwealth should secure a piece of property in the heart of London, and on it erect a building which will cost in all between £200,000 and £300,000. At the present time, the Governments of the various States have offices for their Agents-General all over London—some of them near the Parliament Buildings at Westminster, away from the business centre of the city, where no one ever goes. The office of Agent-General should, in my opinion, be abolished, and general agents should be appointed in their stead. An Agent-General should be a thing of the past, because everything now is hard, progressive, cruel, murderous business. The Commonwealth could dig down deep, and have great basements, and sub-basements, on its property, where the wine-growers of Australia could store their wine. Then in the building they could provide offices for the general agents of the six States, and on the top storey they could have a show room for the exhibition of the produce of the States, with the States' tag on everything, the remaining space to be let. Unless a nation advertises to-day, just as individuals do, it must go to sleep, and become covered with blue mould; and the best way in which we can effectively advertise is by making patent the substantial potentialities of Australia, by the means I suggest. In the Commonwealth building would be lifts or elevators to climb up or down, and there could be a restaurant in which nothing but Australian wine, and food prepared from Australian commodities, would be sold. If this seems too socialistic a proposal, the Government could lease the right to conduct such a restaurant, and persons would soon be found to tender for it. By renting the various rooms in the building, we should get an enormous income. If we borrowed £300,000 at 3 per cent., on interminable stocks or bonds—and stocks are better than bonds, because the latter have coupons attached which are a nuisance—we should have to pay £9,000 a year in interest, and a good landed investment in London is supposed to pay at least 7 per cent.

Mr. CONROY.—The man who could point out safe investments of that kind would make thousands.

Mr. KING O'MALLEY. — Seven per cent. can be obtained from investments in property in the heart of cities like London, New York, Chicago, and even Melbourne. Seven per cent. would give us a return of £21,000, while 6 per cent. would give a return of £18,000 a year. Out of that the municipal rates would have to be paid; but it would be unnecessary to insure the building, because the Commonwealth is stronger than any insurance company. I wrote to the Under-Treasurers of the States, to ascertain what each State pays for rent in London, but the only reply I have yet received came from the Under-Treasurer in Tasmania, who said that that State pays £275. Of course, Tasmania is a small State, and if we estimate the average amount paid by the States at £500 or £600 each, or £3,000 in the aggregate, I do not think we shall be far wrong. That at once meets half the interest charge. I would insist on the High Commissioner having absolute power in connexion with the inscribing of the stock issued, and would allow him to float his loan at any period when he was likely to get money cheaply. Having the stock on his books, the Commissioner would know by whom it was held, just as an insurance company knows who are its policy-holders, and could make it his business on occasions to see the larger holders, or to write to the smaller holders, offering them inducements to continue to hold the stock in the event of our loans falling due. At the present time, because of the stories in circulation about a certain institution, many persons are frightened; but their fears vanish when one sees them, and tells them that things are all right. Unfortunately, the great multitude is carried away by clamour and rumour, and is ready to sell its stocks, or dispose of its investments, to save itself from what it thinks threatened disaster, but the rich man who keeps his fingers on the financial pulse of the world knows what is happening, and buys the stock, doubling the value of his investment in a few months. The Commonwealth should not delay to erect, in the heart of the city of London, a building which would be a monument to the business ability of the people of the country, and would enable their produce to be properly exhibited to the people of Europe. About every year

or two there are celebrations of one kind or another in London, and the Commonwealth building would, on such occasions, be crowded with sightseers, who would gain a knowledge of what we have to offer to emigrants, and would spread the fame of our resources. I find from official records that the land of Australia is valued at £373,679,000, and the improvements on it at £375,515,000. The incomes drawn from investments by persons non-resident in Australia amount to £8,350,000, and £400,000 is spent annually by Australians residents in Europe. Of the first-mentioned amount, £2,565,000, or nearly 4 per cent. of the total incomes in the State, apart from the interest paid upon State debentures, is drawn from New South Wales; £1,600,000, or 3 per cent., is drawn from Victoria; £1,100,000, or 5½ per cent., from Queensland; £375,000, or 2½ per cent., from South Australia; £2,300,000, or 13 per cent., from Western Australia; £360,000, or 4½ per cent., from Tasmania. The incomes drawn in the Commonwealth represent a total of £179,000,000, and the incomes in New Zealand represent a total of £38,967,000. £8,750,000, or slightly over 5 per cent. of the total of the incomes derived from private concerns in the Commonwealth, is drawn by non-residents. These people, who enjoy all the social advantages of living in the centres of art and culture, should, I think, be made to specially pay the Commonwealth for policing their properties. It is not fair to the residents of Australia, who rear their families in the country in which they make their income, that no distinction should be made in matters of taxation between them and persons who live in Europe. It is hard for an Australian Treasurer, owing to his environment, to present a policy which will have the effect of treading on the toes of absentees, but, I think, it is time that some action was taken in this direction. The Treasurer did not say one word with regard to the establishment of a Commonwealth Bank of issue and deposit. This is a very important matter. We are, to-day, living under a banking system that Sir Robert Peel gave to the world in 1844 or 1845. No improvements have been made during all the years that have elapsed, and it seems most remarkable that, whilst changes are being made in all other kinds of economic institutions, whilst wonderful improvements are being effected in the methods of the pro-

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duction and distribution of wealth, and whilst the remotest nations of the earth are being brought into closer connexion by the magic touch of commerce, and whilst the whole industrial and commercial world is passing through a process of evolutionary transformation, no change should be made in the antiquated and obsolete system of currency, which has been in existence for the last sixty or seventy years. The currency being the very life-blood that circulates through the veins of the nation, I was glad to hear the honorable member for Brisbane address the House on the subject of establishing Commonwealth currency, although I could not altogether appreciate some of the features of the system which the honorable member advocated. Under his proposal, the State would receive from the banks only one-third of the value of the notes issued to them in gold, and the banks would have to pay only 2 per cent. interest on the other two-thirds of the total face value of the notes. I understood, further, that the banks would be in a position to get back their gold upon returning the paper currency. I should think that a better return to the State would be secured if the banks were required to pay 2 per cent. interest on the full value of the note issue.

Mr. CULPIN.—But the State would hold the banks' gold to the extent of one-third of the value of the notes issued.

Mr. KING O'MALLEY.—Yes, but unfortunately the banks could get the gold back upon returning the notes, and I do not like giving anything back once I have got it. I do not think that any great profit is to be derived from the issue of paper money, but that system has great advantages, in so far as it engenders confidence in the State. Moreover, if a State bank of issue were established the power now enjoyed by a monopoly consisting of a few private bankers would be vested in the State. At present bankers frequently encourage booms by urging people to borrow money when it is plentiful, and they bring about the collapse of such booms by calling upon their debtors to pay them at a subsequent stage when money becomes scarce. If the State had the control of the issue of paper money it would refuse to increase its note circulation in order to assist a boom. If there were a prospect of a boom the State bank would commence to cancel its circulation, and this would have

a discouraging effect upon those who were disposed to over-speculate. On the other hand, in times of great trouble, the State bank could increase its circulation, through the agency of the post-offices. It may be urged that no one would have confidence in a Government bank, but *Coghlan* points out that the States savings banks had a wonderful boom at the time of the bank crisis in 1893, because the people had confidence in them. If we had a Commonwealth bank of issue it would be able to do business with farmers and producers, who, however, would not be granted overdrafts unless they deposited securities in the forms of deeds, bills of lading, bills of

exchange, bonds, or bills of sale. The result would be that the State bank would encourage the small producer and the small business man. Unfortunately, the present banks of issue unconsciously help big men, who can come to them and borrow thousands upon depositing their deeds. The enormous profits made by the Australian banks is at the expense of the whole people who have to pay the interest, discounts, and exchange. Both the borrowers and bank employees are sweated to fatten the shareholders, as shown by the following table from the *Australasian Banking and Insurance Record* of 20th January, 1905, from which I will read some figures:—

AUSTRALASIAN BANKING PROFITS (NET) AND DIVIDENDS REPORTED IN 1902, 1903, AND 1904.

—	Year Ended.	Net Profits.			Amount of Dividends Paid.		
		1902.	1903.	1904.	1902.	1903.	1904.
		£	£	£	£	£	£
Australian Joint-Stock Bank ..	June 30	5,627	7,653	3,625			
Bank of Adelaide ..	March 31	45,925	52,317	47,337	32,000	32,000	32,000
Bank of Australasia ..	April*	284,545	309,790	302,537	168,000	184,000	192,000
Bank of New South Wales ..	Sept.	233,735	233,163	240,017	200,000	200,000	200,000
Bank of New Zealand ..	March 31	159,501	160,591	162,803	21,366	21,180	21,281
Bank of North Queensland ..	June 30	4,573	4,839	4,688	2,500	2,500	2,625
Bank of Victoria ..	June 30	66,459	65,248	68,090	34,491	37,144	37,144
City Bank of Sydney ..	June 30	16,173	17,459	18,096	20,338†	20,338†	20,338†
Colonial Bank of Australasia ..	Sept. 30	33,436	33,475	37,40	16,000	16,000	16,000
Commercial Bank of Aust.	June 30	80,894	76,637	79,385‡	15,202†	15,202†	15,202†
Com. Banking Co. of Sydney ..	June 30	102,503	100,223	130,205	100,000	100,000	100,000
Commercial Bank of Tas.	August 31	17,545	22,626	25,232	11,319	12,734	14,857
English, Scott., & Aust. Bank	June 30	50,328	41,805	46,584	21,578	21,578	21,578
London Bank of Australia ..	Dec. 31§	23,353	13,690	22,956	23,643†	14,184†	9,207
National Bank of Australasia ..	Sept. 30	69,431	69,535	73,183	41,735	41,735	41,735
National Bank of N. Zeal.	March 31	64,933	65,983	60,642	15,289†	15,289†	15,289†
National Bank of Tasmania ..	Nov. 30	8,951	9,607	10,686	25,000	25,000	30,000
Queensland National Bank ..	June 30	54,350	43,989	43,599	7,602	7,602	9,579
Royal Bank of Australia ..	Sept. 30	14,156	14,824	14,889	7,500	8,250	9,000
Royal Bank of Queensland ..	June 30	17,781	17,698	18,636	12,173	13,761	15,649
Union Bank of Australia ..	Feb. 28	192,395	211,580	246,511	120,000	120,000	150,000
Western Australian Bank ..	Sept. 30	32,905	39,754	47,124	17,500	17,500	21,875
Total .. ..		£1,579,499	£1,622,686	£1,705,068	£983,950	£996,740	£1,055,656

\* 14th April, 1902; 13th April, 1903; and 12th April, 1904.—† Dividend on Preference Capital.—‡ After deducting amount carried to the credit of the Special Assets Trust Co.—§ 31st December, 1902, 1903, and 1904.

After all it is only that portion of the bank deposits represented by the savings of the workers, or the surplus accumulations of commercial and financial organizations, which is available for investment. The balance, which constitutes by far the larger part of the deposits, represents only an expansion of credit, and is never available for investment of any permanent character. It is a common blunder to regard bank deposits as money in the banks, whereas they are principally composed of credits in a ledger. When a banker lends a customer £10,000, he takes the customer's promissory note, and credits his account with the proceeds. The transaction in-

creases both the deposits and loans by £10,000, but does not add anything to the money in the bank. Even when the customer operates by cheque on the credit it does not necessarily follow that the money in the bank is reduced, for his cheques either go to the credit of other customers of the bank, or they find their way into other banks, and become an offset by similar transactions. This credit of £10,000 produced by the banker discounting the promissory note of his customer, performs all the functions that actual money can perform, and practically adds £10,000 to the resources of the commercial community while it is extant. If the credit

has been judiciously given, the note will be redeemed when due by the customer accumulating a sufficient credit balance in his bank account to redeem the note. The transaction will reduce the banks assets and deposits by £10,000, but it will not increase nor diminish the money in the bank. In only a small proportion of the financial transactions thus accomplished by credit will actual cash be demanded, and against this the banker must retain a certain percentage of his deposits in cash reserves. If the credit be foolishly given to a worthless speculator who cannot pay when the money is due, or make satisfactory arrangements, then the bank loses the amount, because its resources are reduced by £10,000, while its liabilities remain the same. In the difference between redeemable and irredeemable credit rests all the difference between good currency and bad currency, between good banking and bad banking, between good investment securities and bad investment securities. Thus the increase of bank deposits is due more to an expansion of credit than to an increase of actual money in the banks, or of funds in search of investment. In like manner, when deposits decrease it is a contraction of credit, rather than the withdrawal of money from the banks. In 1893 there was far more money in the banks of Australia than in 1892. Yet the deposits were millions less on account of the contraction of credit primarily due to the crisis, the loans, and other credit assets being relatively reduced. This borrowing, banking, and rate of exchange question need not frighten us. Many years ago the Baring Brothers loaned to the South American Republic because the rate of interest was much higher than in America or Australia. When the rate of interest is higher in Australia than elsewhere, the financiers and capitalists will lend the people here money instead of buying foreign commercial bills, causing less demand for bills, and therefore lowering the rates. If rates of interest are higher in other countries, there will be a greater demand for commercial bills or other exchanges on foreign countries with the object of getting the benefit of such high rates. If the interest rates for money are lower in other countries than here, Australian financiers would borrow money in their markets, and loan it here, thus increasing Australian indebtedness to foreign countries, and on the falling due of these loans there would be an increased

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demand for exchange to pay them, resulting in higher rates. The fluctuation in the rate of exchange is due to many causes. If the value of the commodities exported by Australia greatly exceed the value of the commodities imported during a certain period, the large balance due to us from other countries would, if there were no other international transactions to offset them, cause the lowering of the price of exchange here for the reason that there would be less demand for remittances to foreign countries, since it is always the difference between the debits and credits that is remitted. On the other hand, if we owed foreign countries more than they owed us, exchange would be higher by reason of the increased demand for it.

Mr. HENRY WILLIS.—Is the honorable member in favour of the conversion of the States debts?

Mr. KING O'MALLEY.—I am in favour of the Commonwealth taking them over gradually. I claim that we should acquire power from the different States to go upon the money market, and to buy up these loans long before they become due.

Sir PHILIP FYSH.—How can we do that?

Mr. KING O'MALLEY.—We can do it when the stocks are being sold.

Sir PHILIP FYSH.—Where shall we get the money?

Mr. KING O'MALLEY.—We can get it by imposing a land tax.

Sir PHILIP FYSH.—Can we obtain £200,000,000 in that way?

Mr. KING O'MALLEY.—No. There is not £200,000,000 falling due at the same time. As a matter of fact, we have £22,000,000 worth of loans maturing within the next five years. I believe that the Commonwealth should be given the power to at once commence negotiations in respect of those loans. I claim that if we imposed a land tax, and if we had £5,000,000 in the Commonwealth Treasury we should experience no difficulty in regard to renewing our loans.

Sir PHILIP FYSH.—Does the honorable member favour the abolition of the State land taxes?

Mr. KING O'MALLEY.—I would like to see a uniform land tax imposed all over Australia. A tax of a penny in the pound would realize £1,500,000 a year. The bonds of the Commonwealth, backed by the States, are surely worth more than State

bonds would be, unbacked by the Commonwealth. Ninety per cent. of the business of the world of to-day is openly done by credit, and the other 10 per cent. is transacted by other forms which are equivalent to credit.

Mr. CONROY.—How does the honorable member define "credit"?

Mr. KING O'MALLEY.—I define it as confidence. Credit and confidence go hand in hand, and if we had a million pounds extra coming in annually, the people in England would have confidence in us. The lands of the Commonwealth are valued at £373,000,000. That value has been imparted to them by the working people of this country. Let us impose a tax upon these lands, and show the English bond-holders that we are able to pay off a portion of our indebtedness; then we shall experience no difficulty whatever in gaining renewals to suit our own convenience.

Mr. CONROY.—If we passed a law raising the price of land tenfold, can the honorable member, as a sound protectionist, say how would it act, seeing that the money would still be kept in the country?

Mr. KING O'MALLEY.—I say that protection and a land tax go hand in hand.

Mr. CONROY.—That is to say, that all taxes are good.

Mr. KING O'MALLEY.—Every honorable member who has had any business experience must know that whenever he has had a mortgage upon his property, if he has offered to pay off a portion of it, he has experienced no trouble in procuring an extension. Our English bond-holders occupy a position precisely similar to that of mortgagees.

Mr. WEBSTER.—The honorable member should not make a mistake. If our bond-holders have a good investment, naturally they will stick to it.

Mr. KING O'MALLEY.—Has the honorable member noticed that the bonds of one State in the Commonwealth, which mature in about four or five years, are now quoted at £88 per £100? I say that the Commonwealth could purchase those bonds and establish a sinking fund. If 1 per cent. were paid into a sinking fund, the Treasurer, through the High Commissioner, would be in a position—as that fund increased—to watch the state of the money market, and to take advantage of it in the same way that any other purchaser does.

Mr. CONROY.—Is the Treasurer to engage in gambling?

Mr. KING O'MALLEY.—That would not be gambling. The States go into the open market and offer their stock for sale.

Mr. CONROY.—The Treasurer is to collect the funds of our citizens and wait for an opportunity to purchase State bonds.

Mr. KING O'MALLEY.—The Treasurer would receive a certain amount from land taxation each year. He would be paying off the States debts, and thus relieving them of a terrible burden. Everybody recognises that if the Braddon blot were removed from our Constitution, and the Commonwealth had £2,000,000 or £3,000,000 of a surplus above what is required to help the States, the Commonwealth Treasurer would be in a very different position from that which he would occupy if he had to face a deficit each year. Credit is the most potent economic force of the age, and credit rests upon confidence. The whole financial fabric of the world to-day virtually rests upon credit. How much gold is there in circulation in England or Australia? We have not £10,000,000 worth of notes, gold, and silver in circulation in the Commonwealth, and yet we are doing a business equal to £94,000,000 annually.

Mr. HIGGINS.—We have £22,000,000 of gold on deposit.

Mr. KING O'MALLEY.—I am speaking of the amount in circulation. How much gold is there in circulation in England? Mr. J. Wilson Harper, speaking of this aspect of the matter, says:—

Gold plays an important but subordinate part. The extensive use of credit bills, promissory notes, and bank notes, has far more to do with the maintenance of our monetary system. If it had to completely rest on gold it would soon crumble to dust.

According to Mr. Clare, the whole stock of legal tender does not exceed £126,000,000. His remark has reference to the United Kingdom. He adds—

From half to two-thirds of this amount is in actual circulation among the public, £50,000,000 or £60,000,000 being available for banking purposes.

Mr. McLeod says—

There are about £110,000,000 in actual coin in the country, and credit to the amount of £10,890,000,000 rests upon that.

Dean Farrar estimates the entire capital at £12,000,000,000, and says that £235,000,000 are yearly invested and saved. Mr. Laver states that the chief London banks, exclusive of the Bank of England, hold cash in hand to the extent

of £27,000,000, and that a debt of £227,000,000 rests upon that sum. The estimate made by the Committee of experts who recently issued their report on Indian currency is much less than those just cited; but coming from such financial authorities, it may be accepted on the whole as most accurate. It is stated that—

In the United Kingdom the amount of gold and silver available for purposes of currency is uncertain, but the Mint estimate of the gold in circulation is £91,000,000, of which the amount in banks, including that in the issue department of the Bank of England, and in other banks against which notes are issued, is stated to be £25,000,000.

The report further explains that the gold held by the issue department of the Bank of England, and that held by—

The Scotch and Irish banks, in respect of notes issued beyond the authorized limits, cannot be looked upon as an integral portion of the currency, since it cannot be used at the same time with the notes that are issued against it. But the amount is included in the sum of £91,000,000.

If that enormous volume of business is done on a credit basis, of what are we afraid in Australia? Turning to *Coghlan*, page 801, we find the statement—

The savings banks are on a very different footing, being, to a greater or less extent, under State control, and otherwise safeguarded, so that they enjoy public confidence.

If the savings banks enjoy public confidence, because they are guaranteed by the Government, would not the people have confidence in a Commonwealth bank of deposit and issue?

Mr. CONROY.—It would depend on the way in which it was conducted.

Mr. KING O'MALLEY.—Let me illustrate my point. When a city suddenly springs up for which an adequate water supply has not been provided, what is the first step taken by those in authority? They fix upon a catchment area. Then they build a great dam or reservoir into which the water is directed. Mains are next laid from the reservoir to the city, storage basins being excavated along the line, and by means of service pipes the water is conveyed to every household, and the whole city is supplied. I hold that there is not a sovereign or a half-crown piece that was not dug out of the earth by some working man or working woman. There was no property in the Garden of Eden—there was not a dollar to be found there; and every pound that is necessary to pay off the national debt must be earned

by the working men of Australia. If that be so, why should not the savings of the workers flow through the various post-office savings banks into a Commonwealth Government national bank, and be utilized for the benefit of the workers of Australia? To-day the wealth of the world is flowing from the pockets of the workers into those of great organizations of private gentlemen who boss the wealth of the earth. These gentlemen have made their wealth out of the labours of the workers of the world, and the Labour Party is determined to introduce a new system under which not a dollar will be taken from those gentlemen; but under which they will be unable to take a dollar that they do not earn.

Mr. KELLY.—Will members of Parliament secure a proper allowance under that system?

Mr. KING O'MALLEY.—I am glad that the honorable member has reminded me of that point. To the everlasting discredit of the Government and their predecessors, be it said, that the function for which they came into office—the function of feeding the people—has never been fulfilled. Honorable members are to-day receiving a starvation allowance—an allowance that is absolutely disgraceful. If we do not believe in the principle of payment of members, let us wipe it out: but if we are to have payment of members, the allowance should be commensurate with the duties to be discharged. If honorable members received an allowance of £600 or £700 a year, it would be unnecessary for them to engage in private business. I hold that no man can conscientiously attend to his Parliamentary duties and at the same time control a private business. A member of Parliament must either resign his seat or let his business go. The Government should pay no regard to press criticism. Thank God, the newspapers do not run this Parliament; and if the Ministers are afraid to tackle this question seriously—if, like other Governments, they are simply waiting for something to turn up—they will in time be turned down. I fought the last general election on the public statement that I favoured an allowance of £1,000 a year, and I hold that there is no justification for giving members of the Parliament only £400 per annum simply because the Constitution sets forth that such shall be the allowance “until the Parliament otherwise provides.” The right honorable member for East Sydney has often admitted that

he made a great mistake when, as a member of the Federal Convention, he moved to amend the clause in the draft Constitution Bill providing that the allowance should be £500 per annum.

Mr. PHILLIPS.—Then why does not the right honorable member seek to rectify his mistake?

Mr. KING O'MALLEY.—How could he possibly rectify it when his Government had only a majority of one? The Government have a substantial majority, and most honorable members of the Opposition would support a proposal by them to increase the present allowance. I am prepared to vote for an allowance of anything up to £600 a year.

Mr. KELLY.—Would the honorable member vote for nothing over that amount?

Mr. KING O'MALLEY.—I do not think it would be fair to ask for more. I appeal to the Government not to be scared by newspaper criticism, but to have the pluck to bring in a Bill providing for an increased allowance. In conclusion, I have only to say that I thank the Treasurer for having administered a much deserved castigation to those treacherous men who were beggars when Australia found them, and who, having become millionaires, visit Europe from time to time, and denounce the land that made them. But let them go. Australia, with its mountains and its valleys, its hills and its dales, its rivers and its plains, its harbors, its villages and its cities, its lovely women, and its champion racehorses, still remains. Let these men go. Australia—with its music, sad and thrilling—with its cosy homes, its winters of mildness, and its summers of healthfulness—where bloom and flourish the finest specimens and virtues of the British race, still remains.

Mr. McCAY (Corinella).—I do not know whether, after the poetical outburst of the honorable member who has just resumed his seat, the Committee will be willing to come down to the prosaic walks of life with which a Budget speech and a Budget debate are usually associated. But there are a few remarks which I should like to make, first, in connexion with the finances, and, secondly, in connexion with that portion of the expenditure of the Commonwealth which relates to our defences. So far as one can judge from the inquiries that could be made during the period which has elapsed since the delivery of the Budget speech, a pronounced feeling of apprehension has been caused by the Treasurer's

remarks. The public mind is alarmed, and not without reason, at the general tone of the speech.

Sir JOHN FORREST.—Where is the public mind situated?

Mr. McCAY.—It is not situated solely in the right honorable gentleman.

Sir JOHN FORREST.—Does the honorable and learned member mean everywhere—all over Australia?

Mr. McCAY.—I mean everywhere, all over Australia; with the exception, perhaps, of those realms in which the right honorable gentleman holds, or held, exclusive sway. I think that the public have reason for alarm in the attitude adopted by the right honorable gentleman, who is supposed to be the custodian of the finances of the Commonwealth, and to watch over its expenditure, so that no extravagance and no unnecessary outgoing of the public funds shall take place. But the right honorable gentleman told us, in effect, that in future the States must expect to get back not more than the statutory three-fourths of the net Commonwealth revenue to which they are entitled under the Constitution.

Sir JOHN FORREST.—My predecessor told them that at Hobart, in even plainer language than I used.

Mr. McCAY.—The right honorable member for Balaclava stated that the expenditure of the Commonwealth would inevitably grow until that result happened; but he did not announce the fact in tones of triumphant exultation.

Sir JOHN FORREST.—I did not say any more than he did.

Mr. McCAY.—The right honorable gentleman said, in the tones of one who rejoiced in the fact, that the Commonwealth expenditure would be increased.

Sir JOHN FORREST.—Although the honorable and learned member sits in opposition to the Government, he need not be unfair.

Mr. McCAY.—No; and I have not been so.

Sir JOHN FORREST.—I think that the honorable and learned member is unfair.

Mr. McCAY.—The right honorable gentleman wishes to be both a member of the Government and a member of the Opposition, to direct the operations of both parties. If he succeeds in doing that, everything will go to his satisfaction. His attitude in regard to finance is well known. We have heard him say in this Chamber,

when speaking of expenditure, "Pooh, what is a million?"

Sir JOHN FORREST.—My reputation for economy and good management will stand against that of the honorable and learned member, if he has any.

Mr. McCAY.—I have always been compelled to practice economy.

Sir JOHN FORREST.—I mean as an administrator.

Mr. McCAY.—The spectacle of the right honorable gentleman claiming credit as an economical administrator is one to make both gods and men laugh.

Sir JOHN FORREST.—If the honorable and learned member goes to the State whose affairs I administered for so long he will ascertain what the people there think of me.

Mr. McCAY.—I remember hearing the right honorable gentleman say in this Chamber, when a question arose as to the anticipation of parliamentary appropriation, "When I wanted a few hundred thousand pounds, I took the money, and spent it." Economy! There must be a special definition of the word in the political dictionary of Western Australia.

Mr. JOSEPH COOK.—There is no quicker way to become popular than to spend money.

Sir JOHN FORREST.—The honorable and learned member for Corinella has recently been to Western Australia, and should, therefore, know what I did there; and should be a good judge of my actions.

Mr. McCAY.—I do not know if the right honorable gentleman proposes to allow me to say the few words I wish to say with a comparatively small number of interruptions. Notwithstanding his long parliamentary experience, no one is so impatient under the mildest criticism and the gentlest of suggestions as he is. He has not a reputation for economy.

Sir JOHN FORREST.—The honorable and learned member should give us facts, and not fiction.

Mr. McCAY.—I am trying to do so. The right honorable gentleman has not a reputation for being economical. He tells us that that reputation is entirely undeserved; that of all mortals he is distinguished for his economical aspirations, efforts, and results.

Mr. KELLY.—Is that why there were no defences in Western Australia?

Mr. McCAY.—That may be the reason why the Commonwealth is now paying so

large a sum for the construction of new works and buildings in Western Australia. The right honorable gentleman is so economical that he left it to the Commonwealth to undertake this expenditure. No State in the Union is, rightly or wrongly, benefiting so much by the practice of charging new works and buildings to the Commonwealth on the population basis, as is the State of Western Australia.

Sir JOHN FORREST.—I deny that; I take exception to that statement.

Mr. McCAY.—Apparently nothing I can say will satisfy the right honorable gentleman. When I said that he was not economical he complained; and now that I am saying he was economical, and am pointing out these results of his economy, he is still complaining.

Sir JOHN FORREST.—The honorable and learned member says that Western Australia is gaining more advantage than any other State. Western Australia has to pay as well as to receive.

Mr. McCAY.—No doubt the right honorable gentleman refers to the special Tariff of that State.

Sir JOHN FORREST.—No. Western Australia pays a good deal towards the sugar bounties.

Mr. McCAY.—The State pays in accordance with its population; but it gets a bigger proportion of the general expenditure of the Commonwealth on works and buildings than does any other State.

Sir JOHN FORREST.—I question that.

Mr. McCAY.—The cost of the defences of Fremantle alone more than eat up Western Australia's contribution to the £400,000 which is to be spent on new works and buildings.

Sir JOHN FORREST.—How much has already been spent at Fremantle?

Mr. McCAY.—Up to the present time a few thousand pounds. The right honorable gentleman, in the Estimates of which he has charge, has a little item of £45,000 or so, to be expended there. He tells us now that he does not think the Braddon provision should be extended when its operation has expired.

Sir JOHN FORREST.—When did I say that?

Mr. McCAY.—Apparently the right honorable gentleman forgets what he said in the Budget speech. It is not that he had so much to say in that speech that he need have forgotten what it contains, because one of the complaints I have to make is



that he told us very little indeed about the position of the finances.

Sir JOHN FORREST.—I have before me a report of my speech.

Mr. McCAY.—I have not committed the speech to memory, so that I cannot quote the exact words; but does the Treasurer deny that he indicated that he did not think the Braddon provision should be extended?

The CHAIRMAN.—The Treasurer will have an opportunity to reply later on to any statement made by the honorable and learned member, and that, I think, will be a better course for him to pursue than to reply now.

Sir JOHN FORREST.—Yes; but when an ex-Minister criticises the Government he might be accurate in his statements.

Mr. JOSEPH COOK.—The trouble is that he is too accurate.

Mr. McCAY.—Nothing I have said yet can be impugned on the ground of inaccuracy. I have endeavoured to do the right honorable gentleman the utmost justice. When he disputed the correctness of certain statements in regard to his conduct, I attributed to him an opposite line of conduct; but he still remained indignant, though one or other of my statements must have been correct. I am afraid it will be impossible for me to please him.

Sir JOHN FORREST.—I do not wish the honorable and learned member to please me; I only desire him to be just.

Mr. McCAY.—I am thankful to the right honorable gentleman for the privilege allowed me of speaking on the Budget, whether my remarks please him or not. I repeat what I said at the outset, that the whole tendency of his speech is a promise to the Commonwealth that more money is to be spent. Do not we remember the tones of regret with which he announced that he was spending merely £400,000 upon new works and buildings? I do not remember his exact words, but he said in effect—and perhaps he will break through his usual practice, and correct me if I am in error—

Sir JOHN FORREST.—When the honorable and learned member proposes to criticise my conduct he should have the facts in his possession.

Mr. McCAY.—The right honorable gentleman pointed out that £400,000 was a small, almost a trifling, sum for this great Commonwealth to spend, even though it had to be obtained from revenue. That

did not strike me as the utterance of a gentleman of an economical turn of mind. It seemed to me rather the remark of one who, rightly and properly, no doubt, sees great opportunities of doing great good by the expenditure of great sums of money; but who, not having great sums of money to spend, regrets the loss of those great opportunities for doing great good. That is an excellent and praiseworthy frame of mind. But the taxpayers of Australia, who understand the burdens, and do not always immediately realize the benefits, of expenditure, do not regard the situation with the equanimity with which he regards it. I have no great fault to find with the Estimates, particularly as they have the advantage of being to a large extent those of the preceding Government, and therefore display on the whole that due regard for economy which the right honorable gentleman's remarks do not seem to promise. It is true that they provide for a number of increases. There is, for example, an increase in connexion with defence expenditure. £51,000 more is to be voted for the naval subsidy. Last year, however, we paid only three-fourths of the annual subsidy, so that the remaining one-fourth was returned to the States. Then there is an increase of about £25,000 to provide for sugar bounties, in connexion with a policy on which the Commonwealth deliberately embarked, for at any rate a limited period, and those who believe in that policy should be glad to see that the amount claimed is increasing, because that fact signifies that the area of the cane-fields cultivated by white labour is extending. There is an increase of £120,000 on last year's works expenditure, of which some £50,000 is comprised in re-votes; and there are a number of large works, like the proposed telephone line between Melbourne and Sydney, to be undertaken.

Mr. POYNTON.—Is not that work to be paid for on a population basis?

Mr. McCAY.—All new works are to be paid for on a population basis, and I think that before we agree to them we should have some reasonable assurance that they will be remunerative. Then there is an increase of some £40,000 in the proposals for expenditure on defence. That is largely owing to necessary expenditure in connexion with the proper equipment of the forces, as to which I propose to say a word or two later on. It may, however, fairly be stated that in the Estimates about to be submitted

for consideration there is no reasonable sign of extravagance or increased extravagance on the part of the Commonwealth. I have already pointed out that, as these are largely—practically wholly—the Estimates of the preceding Government, the last Administration and the present one must share alike in the praise or blame that may be bestowed in that connexion. It is the next Estimates that we view with apprehension, because it may be that the right honorable member for Swan will still be Treasurer when the next Estimates are framed and introduced—that is, if he still remains in Australia, and does not join that party which has been so violently reprobated by the honorable member for Darwin this afternoon. In an utterance like the Budget speech of the Commonwealth, one may expect to hear from the Treasurer some definite proposals upon the great financial questions that are agitating the public mind, and I do not know whether I shall be fortunate enough on this occasion to secure the concurrence of the Treasurer, when I say that, unfortunately, he gave us no definite information on any subject.

Sir JOHN FORREST.—That is a matter of opinion, upon which the honorable member has a perfect right to express his view.

Mr. McCAY.—I think I may be permitted, without being egotistical, to congratulate myself upon having said something that the right honorable gentleman permits me to say. In his Budget speech, he spoke about the sugar bonus. He told us in general terms that the bonus was to be extended, but he did not state for what period, and he was equally silent upon one or two other important details. It may be that the right honorable gentleman's association with the Prime Minister, who is frequently up in the clouds, has developed a little of the same nebulous state of mind in himself. He told us that we must increase our population. He gave us a glowing account of Australia, her resources, her wealth, her people, and her future, combined with the fact that we were not increasing our population, and he said that by assisting immigrants with cheap passages, advances from land banks, and grants of land from the States, we should be able to increase the number of useful inhabitants of Australia. He did not tell us how far, if at all, his arrangements with the States Governments had proceeded, or as to what negotiations, if any—

Sir JOHN FORREST.—How could I do that? What time had I to do that?

Mr. McCAY.—I do not suppose that the right honorable gentleman could have done so, for the very good reason that no negotiations had proceeded. A vague general statement such as he made, which has no practical work done in connexion with it, is not of very much use to the Commonwealth. When the right honorable gentleman did venture to express one or two opinions, and was asked whether he was announcing the Government policy, he said that the Government had not yet considered this or that subject. The complaint I have to make about his speech, rightly or wrongly, is of a twofold character, that, in the first place, it aroused alarm as to the probable future expenditure of the Commonwealth, more especially in connexion with the significant change which has occurred in the right honorable gentleman's mind with regard to the Braddon section, and, in the second place, on those great questions of public policy, upon which the country is entitled to have definite information with regard to the attitude of the Government, no word was forthcoming.

Mr. POYNTON.—Why did not the Government, with which the honorable and learned member was connected, tell us what they intended to do?

Mr. McCAY.—Because it was unfortunately cut short in the flower of its youth, just when it was about to submit a series of valuable proposals. We have our policy ready for future operations, and will unfold it when we have the opportunity we so much desired of asking the public to determine whether it is wholesome. The Treasurer also referred to the fact that Australia is being decried. We all agree upon that point, and, further, that it is being unjustly decried, but we must remember that we have given some foundation for the superstructure of decrial that has been built up. There is a little fire to cause the very large amount of smoke. Let us take the case, which occurred only the other day, of the groom who came from England to New South Wales. As I understand the matter, that groom was engaged to come from London to some inland part of New South Wales under contract to deliver horses.

Sir JOHN FORREST.—That was done under the Government with which the honorable and learned member was connected.

Mr. McCAY.—It was done by the Agent-General in London. The Act under which the certificate was issued was not introduced by the Government of which I was a member. I do not profess to know enough about the facts to be able to say whether this man required an exemption certificate, but I contend that the contract labour section of the Act affords reasonable ground for any ordinary business man to assume that such a certificate was essential to enable the man to proceed with the horses to his destination. At all events, if the business man concerned made a mistake, he erred on the side of safety in procuring a certificate.

Mr. POYNTON.—Did not the honorable and learned member vote for that particular provision?

Mr. McCAY.—I have no objection to the principle embodied in the section. It was adopted for two specific purposes, namely, to prevent men being brought into Australia under contract to work at less than the prevailing rates of wages, and under worse conditions than the ordinary—a most wholesome object—and to prevent employers from utilizing outside labour as a means of cowing their workmen with whom they might have a difference at a time of strike, or when a strike was impending. We may reasonably hope that, in view of the extension of legislation for conciliation and arbitration throughout the States, we shall not be much troubled with this form of industrial dispute in the future. At any rate, these were the main objects which the section was intended to serve, and I do not for a moment wish to prevent them from being maintained. I contend, however, that the section as it stands lends some colour—I do not say justly so—to the representations of those who are evilly disposed to Australia, and affords them an opportunity of making statements which are very damaging to us. I never concurred with a great deal of the harsh criticism that was employed in connexion with the six hatters' case, or with most of what was said in connexion with the *Petiana* case. I think that the great bulk of the criticism directed at our past legislation has been unjust and unwarranted, but there is just enough foundation for it to enable those who wish to do so to still build up a number of damaging allegations, and I should like to see it made clear by legislation or administration that white people who want to come to work here under prevailing conditions, and who are not brought here in order to confer an

advantage upon one of the parties to a dispute, shall be able to do so. This should be done, so that we may not continue to leave ourselves open to the charges which have been made, however unjust and unfounded we may know them to be. I do not wish to see our legislation so modified as to prevent the great, important, and valuable objects to which I have referred from continuing to be carried into effect. It is largely a false impression that has been conveyed to the minds of the British public in connexion with that provision, an impression that Australia has passed class legislation instead of legislation for the good of the whole community. But legislation, such as the union trade mark provision, for instance, with all the implications that can be built upon it—as that provision stands, I think it is open to objection, but there are other implications that can be built upon it—afford just a sufficiency of foundation for the allegations made against us, to render them difficult to answer. These facts, together with the knowledge that the Treasurer and others are compelled, by the necessities of the political situation, possibly to subordinate their own individual views in matters of this kind, and to concur in the passing of legislation that they do not in their hearts approve of, render it difficult for those who have the welfare of Australia at heart, to do what ought to be done in order to keep the name of the Commonwealth in as good odour as we should like. I desire to say a word or two with regard to the book-keeping period in reference to which the Treasurer is reported in *Hansard*, at page 1213, as having said—

Unless some better arrangement can be made—That is beautifully definite—a most important qualification.

I certainly think that the only thing to do is to continue the bookkeeping period until the end of the operation of the Braddon clause.

The honorable member for Capricornia asked—

Do the Government intend to do that?

Then the Treasurer, with the caution that characterizes him, said—

I am not prepared to make a definite statement on that point.

He is not reported as having said “nor any other,” but he might as well have said it.

Mr. JOSEPH COOK.—That is statesmanship.

Mr. PAGE.—It is like one of the statements of the right honorable member for East Sydney.

Mr. McCAY.—When honorable members have to resort to *tu quoque* argument they are hard put to it. We have already taken a step in the direction of what we might call the true finance of Federation by charging all our expenditure in connexion with works and buildings upon a population basis. That is a step of which I approve in spite of the temporary disadvantage that results to one or two States that are more forward than others. I do not particularize the States for fear of interruption. I feel, however, that if the bookkeeping be continued either for the five years originally intended, or for a further term until the end of the period fixed for the operation of the Braddon section, or for any other period, and we make a sudden change at the end of that fixed term, from the bookkeeping to the other method, there will be great outcries. We have had a wholesome example of what can be done by proceeding gradually, instead of abruptly, in connexion with the Western Australian Special Tariff. The Tariff has been diminished year by year by one-fifth, and will disappear next year. There has been no great complaint in that connexion. The fears that were at one time expressed, that the finances of Western Australia would suffer, have not been realized, and it may be that the fact that the receipts have been greater than was anticipated has contributed to that result. In that case we have, by the use of a sliding scale, largely diminished the objection that would attach to making a sudden change, and it seems to me that we might with advantage adopt a similar principle in connexion with the transition from the bookkeeping system to the more truly Federal system of finance. It is quite true that the circumstances of Western Australia are different in this respect—that the adoption of a system of expenditure upon a population basis would affect that State to its detriment, much more materially than it would any other State. I am inclined to think that the Treasurer did not overlook that fact when he declared that in his opinion the bookkeeping period should be extended for a number of years. In this connexion, I think—and I speak not merely from my own impressions, because I have the advantage of knowing the mind of the right honorable

member for Balaclava upon the subject, and we all recognise that his opinion is worthy of every consideration—that we should abolish the bookkeeping period gradually by adopting a sliding scale extending over five years. In view of the special circumstances of Western Australia, I should be quite satisfied—although she is getting advantages in other directions—to allow the sliding scale in her case to extend over a period of ten years. I feel convinced that some such method is the only one which will satisfy the public as a whole in exchanging the bookkeeping system for a *per capita* method. We cannot remain upon the bookkeeping basis for ever. So long as that system continues it cannot be said that we are truly federated. At the same time, we ought to make the change gradually, and, therefore, I suggest that we should adopt a five years' sliding scale in the case of all the States except Western Australia, with a somewhat longer period in the case of that State. I should now like to say a word or two in reference to what is called the Braddon section of the Constitution. I do not know whether the Treasurer entertains the view that that section should cease to operate at the period fixed for its expiry by the Constitution. As I have apparently misunderstood his remarks, I shall be glad to know his opinion upon the matter.

Sir JOHN FORREST.—The honorable and learned member will see my view of it by reference to page 1217 of *Hansard*.

Mr. McCAY.—The Treasurer stated—

I do not see that much good can result to the States by extending the duration of the Braddon provision. It may restrict the spending powers of this Parliament, but I cannot imagine that we shall do anything to injure the people of the States. They are our constituents, and to injure them would be to injure ourselves. This Parliament will neither injure nor ignore the people of the States.

That sentence means, if it means anything, that he is an advocate for not extending the Braddon section of the Constitution.

Mr. PAGE.—What else could it mean?

Mr. McCAY.—I do not know. When I said just now that the right honorable gentleman had expressed the opinion that the Braddon section should not be continued, he challenged the accuracy of my statement.

Sir JOHN FORREST.—I said—as will be seen by reference to the same page—that my judgment led me in the direction of desiring to return to the States a fixed sum

annually, and that, under such conditions, there would be no necessity for a continuance of the Braddon section.

Mr. McCAY.—That would be a most delightful system for the Commonwealth to adopt, but it would not be appreciated by the States Treasurers, because the population of Australia will grow—the Government anticipate that their policy will make it increase by leaps and bounds—whereas the Commonwealth contribution would remain the same.

Sir JOHN FORREST.—I said that a fixed sum might be returned to the States, subject to periodical adjustments.

Mr. McCAY.—I understood the right honorable gentleman to propose the Canadian practice. We must recollect, however, that when that system was adopted in Canada the revenue from the sources from which we derive £7,000,000 annually was something less than £1,000,000. That is a very different state of affairs from that which obtains in the Commonwealth. We could make an arrangement in regard to £1,000,000 that we could not make in regard to £7,000,000.

Sir JOHN FORREST.—To this day the Dominion Government returns so much per head to the Canadian provinces.

Mr. McCAY.—The right honorable gentleman wishes to do away with the Braddon section. But I would point out that, whatever authority may spend the public money, be it Commonwealth or State, the same citizens have to pay. That fact should be remembered. I say that the people of Australia rightly regard the Braddon section as a check upon Federal expenditure. Fancy this Parliament with the restriction imposed by that section, or some other equally powerful restriction, removed from our Constitution! Fancy the saturnalia of Federal expenditure with the Treasurer as high priest! Even he would forget to be economical under such circumstances.

Sir JOHN FORREST.—The honorable and learned member will represent me as a very extravagant individual presently.

Mr. McCAY.—The taxpayers of Australia say that there must be some check imposed upon Federal expenditure. If we took over all the transferred departments which have not yet been established—leaving out of consideration our special sources of expenditure, such as the sugar bounty, the iron bonus, old-age pensions, &c.—by being somewhat extravagant we could easily expend very close up to our one-fourth share

of the Customs and excise receipts. Even the right honorable gentleman himself might find it comparatively easy to achieve that result. But if anything like the remaining three-quarters of the Customs and excise revenue were available to this Parliament there would be a temptation to spend which we might find irresistible. We all know that in the case of Parliaments with large sums at their disposal there is a very great disposition to spend money. The spending decisions of any Legislature are nearly always limited by its spending capacity. A Parliament which, throughout a long period—in the face of pressure brought to bear in favour of expending a little money here and a little there—would virtuously resist the temptation, and return to the States sums which it is under no obligation to return, is such an anomaly in modern life that we need not seriously contemplate its continued existence. The fact that for some years past the Commonwealth has been doing this is due to the circumstance that our actions have been scrutinized with great exactitude, and have had bestowed upon them greater attention that has ever before been bestowed upon the actions of any Parliament. Moreover, we were morally bound to return to the States as much as we could, owing to the fact that we had fixed a limit which our expenditure was not to exceed; and in the early days of the Federation we felt it incumbent upon us to give a sufficient reason for every pound that we proposed to spend. But if we were released from the obligations imposed by the Braddon section, all the big schemes for spending hundreds of thousands of pounds in various directions—

Mr. WILKS.—By way of bonuses.

Mr. McCAY.—I believe in bonuses, so that I cannot sympathize with the interjection of the honorable member. I repeat that under such circumstances there would be a temptation to spend money which this Parliament would find irresistible. There must be some check upon our powers of expenditure, and the people of Australia feel that the effect of the Braddon section has been a salutary one. The fact that we have kept within its limits is no reason for doing away with all restriction, so that we can exceed those limits. The taxpayers regard that section as one of their best safeguards against unnecessary Federal expenditure. There are legitimate objects upon which we could expend large

sums of money if we wished to do so. In this connexion I may instance the question of old-age pensions. Before I vote for that proposal, I wish to see where the money necessary to give effect to it is to come from.

Sir JOHN FORREST.—I hope that the honorable and learned member does not infer from anything I have said that I wish to return to the States less than has been returned to them. I desire to give them as much as I can.

Mr. McCAY.—The right honorable gentleman means that he wishes to give them as much as he can spare, which is an utterly different thing.

Mr. JOSEPH COOK.—Does not the honorable and learned member think that in regard to the iron bonus—apart from the merits of the question altogether—we might inquire where the money with which to pay it is to come from?

Mr. McCAY.—The Commonwealth will be in a position to pay that bonus out of its one-fourth of the Customs and Excise revenue. We will not be required to spend £300,000 in one year. The Treasurer has said that in regard to the transferred Departments we ought to adopt the system of crediting and debiting balances. At first sight it seems to be common sense that we should merely account for differences, instead of crediting and debiting the whole amount. There is no objection to that from a bookkeeping stand-point, nor is there from the stand-point of the taxpayers, if we did not expend more than we are entitled to. But if we are merely to credit and debit balances, it is only the interest on the balances which will have to be appropriated out of the one-fourth of the Customs and Excise revenue to which the Commonwealth is entitled. On the other hand, if we credited and debited the totals, the matter would assume a very different complexion.

Sir JOHN FORREST.—The honorable and learned member would not impoverish the Commonwealth?

Mr. McCAY.—I do not wish the Commonwealth to have to look around for ways in which to spend money. I do not desire it to have so much money to expend that it will require to look round for a means of investment. If we merely credit and debit balances in connexion with transferred properties—the States debts remaining with the States, as they appear likely to do for some time—we shall have those properties vested in a new trustee—the Commonwealth. They

will still remain the property of the taxpayers; but we shall have the States continuing to bear the interest upon the debts out of which those public properties were erected or acquired, out of their three-fourths of the net Customs and Excise revenue, and the Commonwealth out of its one-fourth share of that revenue will be called upon to bear only the expense of the debited and credited balances. That position would affect the States finances. The States would nominally receive back their three-fourths of the Customs and Excise receipts; but they would really be refunded the three-fourths of that revenue less these charges. Frankly, from the point of view of a member of this Parliament, and looking at the Commonwealth capacity and powers, I say that if I considered it fair to leave the interest charges with the States, and to debit and credit only the balances, it would be much more satisfactory to one's own feeling to adopt that course. But it would not be justice.

Mr. JOSEPH COOK.—Whichever method we adopt, the interest upon the transferred properties ought to come into our balance-sheet.

Mr. McCAY.—The interest upon the balances would do so.

Mr. JOSEPH COOK.—But we are tight up against our limit now.

Mr. McCAY.—I think that the transferred properties are worth about £10,000,000, and that the balances represent about £1,000,000. Consequently, if we debit and credit balances only we shall have to pay out of our one-fourth of the Customs and Excise revenue interest upon £1,000,000; whereas, if we debit and credit totals, we shall have to pay interest upon £10,000,000. Which is the fairer method to adopt, seeing that the States retain the debts, and the liability to pay the interest upon the loans, which have, to a large extent, been used in creating the assets that we have taken over?

Mr. JOSEPH COOK.—If we use those properties, the interest upon them ought to come into our accounts.

Mr. McCAY.—I think so. It was the economical instinct of the Treasurer which prompted him to make the suggestion that he did.

Sir JOHN FORREST.—This House has to settle the matter.

Mr. McCAY.—But the Treasurer is the leader of the House in regard to financial matters, and I wish to know where he is leading us.

Sir JOHN FORREST.—The honorable and learned member agrees with what I desire to do.

Mr. McCAY.—I do not.

Mr. JOSEPH COOK.—The right honorable gentleman is leading us right into the Ministerial corner.

Mr. McCAY.—He certainly is not doing so, although he has gone there himself, leaving two or three of us behind. I cannot speak for some of my honorable friends on the direct Opposition benches, but the right honorable gentleman left the honorable member for Gippsland and one or two others behind as unnecessary encumbrances when he took the little journey to which I have referred.

Sir JOHN FORREST.—The honorable member has changed his seat in the House.

Mr. McCAY.—People usually do when they get kicked out of their seats. I left my seat on the Government side to make room for the right honorable gentleman.

Mr. PAGE. — Whom did the honorable and learned member kick out in order to get possession of the Government benches?

Mr. McCAY.—I was sitting in direct opposition at the time of the overthrow of the Watson Government. There is only one other matter relating to the financial side of the Budget to which I desire to refer, and that is the question of the continuation of the sugar bounty. The bounty has undoubtedly done a great deal in the direction in which it was hoped that it would produce results. Four or five years ago the quantity of white-grown sugar produced in Australia was only one-fifth of that grown by black labour; but the estimate for the coming year is that white-grown sugar will constitute one-half of the total production.

Mr. MAHON.—Has not the quantity of black-grown sugar also increased?

Mr. McCAY.—That is so; but I am speaking of the proportion of white-grown sugar to black-grown sugar. Three or four years ago the output of black-grown sugar was about five times as great as that grown by white labour.

Mr. JOSEPH COOK.—The point is, that the quantity of white-grown sugar is increasing, while black-grown sugar is not decreasing.

Mr. McCAY. — We have to remember that the estimate for the coming year is that the production of black-grown sugar will be only twice as great as that of the white-grown article. Previously, about 16 per cent. of the total production was white-

grown, but now we have something like 33 per cent. of our sugar grown by white labour. The percentage shows an increase in favour of the white-grown article.

Sir JOHN FORREST.—The estimate is about 40 per cent.

Mr. McCAY.—I am merely using approximate figures. We are now asked to renew the bounty. I am a protectionist, and I supported the granting of the bounty on protectionist principles, as well as on the ground that it would assist to secure a White Australia. There were other honorable members who, although free-traders, supported the proposal, because they believed that we ought to have a White Australia, and recognised that if we desired to bring about that result, we must be prepared to pay something for it. So far as one is able to judge from the facts, the bounty cannot be suddenly terminated, as now provided, on 1st January, 1907. Speaking as a Victorian, I say that there is no State in the Union which suffers more pecuniary disadvantage from the Commonwealth system of dealing with the sugar industry than does Victoria. Before Federation, Victoria had a revenue duty of £5 15s. a ton on sugar, and there was only a margin of 5s. per ton allowed by way of protection to the local refiner. Practically the Victorian duty on sugar was a revenue one. By losing a very considerable proportion of the revenue that she derived from that source, Victoria has been a financial sufferer, and has not received any corresponding direct financial gain. Still, she has no right to complain of that.

Mr. PAGE.—As the result of the present system, have not many Brisbane factories been closed?

Mr. McCAY.—I have just said that Victoria has no right to complain, because the sugar bounty is part of the protectionist policy of Australia, of which policy Victoria provides a considerable number of advocates; and it may be that she obtains indirectly some benefit from the system of refining now being carried on otherwise than it would have been. Nevertheless, as a matter of pounds, shillings, and pence—as a matter affecting the public revenue—it cannot be denied that Victoria is paying fairly heavily in this direction.

Mr. McWILLIAMS.—And the fruit-growers of Victoria are paying fairly heavily for the system.

Mr. McCAY.—That is so. I am acquainted with a number of fruit-growers who live near me, and they may also be affected to some extent by the present system. It is clear, however, from the figures that have been quoted by the Treasurer, that the quantity of black-grown sugar is still far ahead of the white-grown article, and that if we suddenly terminated the bounty, much injury would be done to the Queensland sugar-growers. We should extend the bounty. I do not recollect whether the Treasurer mentioned the extension proposed by the Government.

Sir JOHN FORREST.—An extension of five years.

Mr. McCAY.—Human nature is human nature all the world over. That is so even of protectionist human nature, which is the purest form of which I know. If we extended the bounty as it stands for five years, it would be justly said at the end of that period, "The Parliament must not suddenly abolish it." It seems to me that we must once more resort to the device of the sliding scale—a device which has always proved successful in connexion with the introduction of changes. I notice that the honorable member for South Sydney suggested yesterday that the bounty should be extended on a sliding scale, and I think I am able also to say that the right honorable member for Balaclava holds the same view. If we extend the bounty—not necessarily for five years; I should be prepared to extend it for a further period, if that were essential—we must provide for its payment on a sliding scale, so that it will disappear automatically, instead of merely by the effluxion of time, or by the passing of an Act of Parliament. When a measure of that kind becomes necessary, the pressure that is brought to bear and the good case that can be made out for an extension make it exceedingly difficult to say "No." I again urge upon the Government that they should consider the advisableness of bringing, not only the book-keeping period, but the system of granting the sugar bounty, to a termination by means of a sliding scale. If it be desired to continue the bounty for another year or two at the present rate, because the growers have been led to justly hope for such an extension, let us enact that for two years it shall continue at the present rate, but shall then disappear by a sliding scale extending over five, or even seven years. If the bounty be diminished year by year, the force of the blow will not

be felt by any one as it would be if the whole system were suddenly abolished. I commend this suggestion to the serious consideration of the Government, believing that it will provide the most satisfactory solution of the difficulty. I desire now to say a few words on the question of the defence vote and our defence policy. As honorable members know, this is a subject in which I have taken a deep interest for a long time, and to which I have devoted as much attention as I could possibly give to it. I am very sorry to see that the Estimates for the current year, as submitted, are less—although it is only by a thousand or two—than were the Estimates for the last financial year.

Sir JOHN FORREST.—No alteration has been made in the Estimates as left by the honorable and learned member on retiring from office.

Mr. McCAY.—There is a considerable reduction.

Sir JOHN FORREST.—Only by way of economies.

Mr. McCAY.—Perhaps the right honorable gentleman does not know how the reduction has been effected.

Sir JOHN FORREST.—I shall be glad to know of anything of which the honorable and learned member may be pleased to inform me.

Mr. McCAY.—The right honorable gentleman knows a great deal, but he does not very often favour the House with all that he learns.

Sir JOHN FORREST.—I have already said that I shall be glad to hear what the honorable and learned member has to tell me on this point.

Mr. McCAY.—I shall tell the right honorable gentleman how the reduction in the Estimates, as I left them, compared with those now before us, has been arrived at. It has been achieved by two simple processes. There has been no alteration so far as I can see in a single proposed appropriation for stores, or in respect of one man in the force. The Defence Estimates, as I prepared them, made provision for 1,500 men more than were provided for in the Estimates of the previous year, at an increased cost of something like £6,000. This was possible only by the economies to which the right honorable gentleman has referred—by scrutinizing every item, from beginning to end, of the Defence Estimates, which is no light task, and by cutting off even a £5 note where that saving could be



effected. I personally went through every item in the Estimates of my Department, and the proposal for an increase of 1,500, to a large extent in the forces of Tasmania, was the result of an arrangement which I thought would be satisfactory to that State, after the difficulty of a year or two ago. But the Government, while professing to make this increase in the strength of the forces without increasing the Defence Estimates, have really effected the so-called economies by saying that the increase shall not take place "until 1st January, 1906."

Sir JOHN FORREST.—Does the honorable and learned member say that we have done that?

Mr. McCAY.—The incoming Government did that.

Mr. McWILLIAMS.—And upset all the arrangements which had involved so much trouble.

Mr. McCAY.—That is so; the Government proposal really means that, instead of having these men on 1st January, 1906, we shall not obtain them until about 1st May, 1906. It will upset all the arrangements made in Tasmania, in respect of which there was special reason for fair consideration. The other means by which a saving has been effected, so far as I can make out, is this—

Sir JOHN FORREST.—How much will be saved in this way?

Mr. McCAY.—When we are dealing with the Defence Estimates, I shall refer to that point.

Mr. WILKS.—Would the honorable and learned member speak of this as "financial dodgery"?

Mr. McCAY.—I should not.

Sir JOHN FORREST.—Does this saving apply only to Tasmania?

Mr. McCAY.—To all the States. Wherever a proposed increase appears on the Estimates, we see a foot-note setting forth that it is to date from 1st January, 1906.

Sir JOHN FORREST.—Some weeks of the current financial year have already passed, and it seems that the Estimates will not have been finally dealt with much before January next.

Mr. McCAY.—Then the right honorable gentleman will be able to do this year what the Defence Department did last year. In the month of February I had a chat with my colleague, the right honorable member for Balaclava, who was then Treasurer,

and we came to the conclusion that we could save £45,000 on the Defence expenditure. Having arrived at that decision, we promptly appropriated the £45,000 to make good arrears in the purchase of special warlike stores. But until these Estimates are at any rate authorized, the Department will not be able to move hand or foot in the direction of securing more men before 1st January next.

Sir JOHN FORREST.—In any event, we shall not have much time to get ready before that date.

Mr. McCAY.—It takes time to get recruits ready for the ranks. But the Governments could tell the State Commandants to make their arrangements now.

Sir JOHN FORREST.—We shall be able to get them ready by the 1st January.

Mr. McCAY.—When we begin to drill recruits for a partially-paid force, we must make arrangements to pay them in respect of drills.

Sir JOHN FORREST.—We shall be able to make a start on the 1st January.

Mr. McCAY.—I hold that the economy which the Government propose will be economy at the expense of the efficiency of the Australian forces.

Sir JOHN FORREST.—How could the late Government have paid these men from 1st July, when the Estimates would not have been passed until some months later?

Mr. McCAY.—The increases would have dated from 1st July. Had there been no want of confidence motion moved against the late Government, I should have chanced the Estimates being passed, and, as soon as the Budget had been brought in and discussed, would have ordered the Commandants to go ahead and enlist these additional men.

Mr. KENNEDY.—Where would the responsibility of Parliament have come in?

Mr. McCAY.—Once the debate on the Budget has been concluded, there is considered to have been a general approval of the Estimates as a whole.

Mr. KENNEDY.—Not necessarily.

Mr. McCAY.—I think one might very well suppose that that is so, in connexion with proposals for the raising of troops.

Mr. KENNEDY.—We are now in the middle of the first half-year, and the Budget has not yet been approved.

Mr. McCAY.—I take it that, in spite of some of the long speeches that have been delivered, it will be approved before the 1st January next.

Mr. KENNEDY.—It is suggested by the honorable and learned member that the Minister should commit the Commonwealth to certain expenditure, and then ask Parliament to ratify it.

Mr. STORRER.—There is apparently a desire to ruin the forces in Tasmania.

Mr. McCAY.—I can assure the honorable member that if the Estimates were passed as framed by me, they would go a long way to allay any cause of discontent in Tasmania. I make that statement with a full knowledge of the facts gained as the result of a visit that I paid to the State, and from personally meeting men of all ranks in the local forces. The other way in which the reduction has been made is this: Wherever an amount is set down for pay for attendance at drills, the estimated saving that will be occasioned by men not attending the drills which they must attend to entitle them to payment, is deducted, and, so far as I can ascertain, these estimated savings have been increased.

Sir JOHN FORREST.—Very likely. I reduced the Estimates a little.

Mr. McCAY.—If the estimated savings have been increased, they have been unwisely increased, because the amount had already been reduced to the lowest margin proper.

Sir JOHN FORREST.—It was done by the Department.

Mr. McCAY.—Then it must have been done on pressure by the Treasurer.

Sir JOHN FORREST.—The reduction was desired by me.

Mr. McCAY.—It is desirable that the total estimate for the Defence expenditure should not much exceed the total actually expended during the year, because otherwise the calculations of the States Treasurers are thrown out.

Sir JOHN FORREST.—The honorable member's present remarks do not suggest great extravagance on my part; they rather point to economy.

Mr. McCAY.—I have already explained that the Treasurer found these Estimates practically ready to his hand.

Sir JOHN FORREST.—But I have reduced them rather.

Mr. McCAY.—The right honorable gentleman has merely cut down necessary expenditure here and there beyond the limit of safety. We, on this side, can forego a reputation for economy of that kind. We do not desire that such economy shall be credited to us.

Sir JOHN FORREST.—At any rate, I am glad to hear that we have not increased the Estimates of the late Government.

Mr. McCAY.—I had to reduce the Defence Estimates very much below what I would have left them at, if I could have had my own way; but that is the misfortune of every Defence Minister.

Mr. McWILLIAMS.—Will these Estimates upset the arrangement made by the honorable and learned member?

Mr. McCAY.—Only until the 1st January. They will postpone it. By the time everything was in working order, the Estimates would have been pretty nearly through Committee; but this prevents the arrangement from being begun.

Sir JOHN FORREST.—I do not think so.

Mr. McCAY.—I can assure the right honorable gentleman, from the practical knowledge of the working of the Department which I possess, that it does.

Sir JOHN FORREST.—I disagree with the honorable and learned member.

Mr. McCAY.—That is a misfortune which I shall bear with such philosophy as I possess. I do not wish to discuss the details of the Defence Estimates to-day, but I desire to say a few words about what, in my opinion, the defence policy of Australia should be; to give reasons why a certain policy should be followed; and to show how far Australia is carrying out that policy. I have no quarrel at all with those who urge that our main defence should be on the sea. I agree entirely that our real defence against the permanent occupation of our country by any enemy is the fact that we are a part of the British Empire, and are protected by the British Navy. If by some misfortune we became separated from the British Empire to-morrow, we should be the helpless prey of any of the great powers, supposing that we had no one to come to our assistance. That is certain and definite. Our security depends on the existence and central control of the Imperial Navy, and upon the fact that, with central control, the Imperial Navy can be moved as a whole, or in parts, to the points of danger, where its naval supremacy may be threatened. So long as its naval supremacy can be challenged, the challenge can be met only by that single control. The efforts of an Australian Navy, unless it were equal in strength to the navies of at least the second-rate naval powers of the world, would be no substantial protection to the Commonwealth, apart from the navy of the Empire. We in Australia, as a portion

of the Empire, are bound to recognise our obligations to it in connexion with naval defence. We do so at the present time by a contribution of some £200,000 per annum. Had we plenty of money, that would not be a contribution proportionate to the benefits we receive; but it is a contribution roughly proportionate to our capacity to pay. There are other methods of expenditure which are more urgent, not only from the Australian, but also from the Imperial, point of view, to which we should therefore resort before increasing our Imperial contribution, always remembering that we are not paying our fair share. Australia, although in one sense a source of weakness because of her remoteness from the centre of the Empire, may be made a considerable source of strength to the Empire. We are set here in the South Pacific, and the events of the recent Russo-Japanese war—I am sure that every one is glad to be able now to speak of it as recent—have shown that storm centres may arise in the Pacific just as they may arise in the Atlantic or in the North Sea. I am not going to discuss where the great war is to take place. There are different schools of thought on the subject; but it is clear, from what we have seen recently, and from the fact that foreign nations have acquired, and are acquiring, naval bases and fortified coaling stations in the southern seas, that Australia is no longer remote from the theatre of the world's wars, as we were half-a-century, or even a shorter period of time, ago. The increased rapidity of communication between distant countries which has come about by the use of fast steam vessels, has decreased our distance from the world's centres; but, in addition to that, as you, Mr. Chairman, pointed out recently in another debate, when we look at the map of the South Pacific, and see that we are within striking distance of the naval stations of various foreign powers, we must realize that Australia is no longer that outlying and, consequently, protected portion of the world that it once was. Our duty to the Empire is, in some respects, what the duty of the outpost of an army is, and demands that we should make these advanced positions safe. We should be able to say to the mother land, "On the high seas you must continue to be our defence for a considerable time to come, as you have been in the past, though our financial circumstances do not permit us to pay you in proportion to the benefits

which we receive, nor do we think it strategically wise to substitute for the Imperial Navy an Australian sea-going navy under independent command. Still, so far as our shores are concerned, we are ready to protect our centres of commercial life." In Australia these commercial centres are practically all on the sea coast, and, so far as commerce is concerned, the country is one huge littoral, having practically no interior, because almost the whole of its trade is carried on close to the coast. We should be able to say to the Empire, "We will protect ourselves, so far as our commercial interests are concerned"—and these are Australian chiefly, and only indirectly Imperial interests—"and will provide what the Imperial and any other navy requires, secure naval bases to which it can resort whenever occasion demands." No fleet is of any use, be it the greatest fleet in the world, unless it can found its operations on secure bases. If there is one lesson which recent naval wars have taught—the Spanish-American war and the just-ended Russo-Japanese war—it is that fleets cannot operate unless they know that they have behind them bases to which they can retreat, and where they will be secure. We, in Australia, can make our naval bases secure. But we have not done so yet. So far as any blame is attachable to me for inaction in this matter during the short time I was in office, I am prepared to accept it. But we can do what I speak of. If any struggle, in which the Empire was engaged, was so great that British naval supremacy was seriously threatened, the Australian Navy which every penny of the Commonwealth revenue could raise and support, would not count very largely. It is only in the case of British naval supremacy being seriously threatened that our coasts would be likely to be denuded for a time of Imperial protection. That is a fact which we must always bear in mind, putting on one side a matter to which I shall now allude—the occasional raids that may be expected from escaping cruisers of the enemy. In the event of the whole of the British fleet being drawn away for a time to meet some great crisis, we must arrange to meet the possibility of an enemy's cruisers coming along our shores and raiding our towns. But if the crisis is so great that the whole of the British fleet must be called away,

to meet it, I am inclined to think that the whole of the enemy's fleet will also be called away.

Mr. HUTCHISON.—An enemy's vessels could not get enough coal to enable them to come here.

Mr. McCAY.—Foreign powers are acquiring coaling ports in the South Pacific, and I can quite conceive of circumstances under which Australia's best defence would be to convey in transports our land forces, and make descents upon certain harbors in the South Pacific, which occur to all, and which I need not mention now. Such circumstances would provide an occasion on which Australian troops might well operate beyond Australia, not for Imperial defence, but for purely Australian defence, and such occasions must be borne in mind. That is one of the reasons, though there are many others, why we must have what is called a field force in Australia. But I do not wish to anticipate. We must provide not only for the security of our naval bases, and for the protection of our centres of commercial life, but also for the security of coaling ports for trading ships, and ships of war. We must provide secure harbors of refuge for the shipping that may have temporarily to shelter there. All these things not only can, but should be done by Australia, so that she may do her share in Imperial defence. I press this point because sometimes at the other side of the world, in the old country, and even on this side of the water, there are those who suggest that we should do away with all these means of defence, and rely solely on the Imperial Navy. That is a mistake. To develop Australia as a part of the Empire, the public must have reasonable security, a reasonable belief that they are reasonably safe against attacks that may be reasonably apprehended. That is a duty which we can perform. What kind of attacks, I ask, are we likely to have to meet? As I have already said, invasion by a large army for the purpose of permanently occupying Australia I put aside, not as beyond the bounds of our possibility to conceive, but as beyond the bounds of our possibility to meet, apart from Imperial protection. Although we could give an enemy a pretty lively time before he finally subdued Australia, he could take possession of our coastal settlements and could smash us up so far as our development was concerned. Still, I do not think anything of that kind is

likely to occur; although our sole dependence against any such contingency is our Imperial connexion. Then we may have raids in greater or less strength, flying raids by sea attack only, or, what I venture to think is much more likely, flying raids by sea, accompanied by small land attacks. History has shown that in no cases have bombardments been anything to bother about; at any rate, not the short bombardments that an enemy's cruisers could indulge in on Australian shores, because they could not afford to throw away their ammunition. But, further than that, the best provision we could have against the bombardment of most of our Australian ports would be good fire brigades. I would sooner have a series of good fire brigades than a strong military force at the time of a bombardment. I have noticed that fears have been expressed that an enemy's cruisers might lie off, say, Manly, and bombard the city of Sydney; but, if I may be permitted to do so, I would advise the residents of Sydney not to sleep any the less soundly on account of that fear. All the damage that an enemy is likely to succeed in doing could be checked by the exertions of an efficient fire brigade, and very little compensation would have to be paid for chance loss incurred by the owners of private property. A bombardment by a hostile cruiser would not result in any harm worth speaking of. History tells us also that combined attacks on fortified ports by sea and land—by the front door and the back door—are the only effective operations. The honorable member for Wentworth expressed a fear lest an enemy's cruisers might come along carrying torpedo boats, with the idea of making a raid at night by the means of the smaller vessels. He argued, therefore, that our fixed defences should be placed in a satisfactory state. I would go further than he does, and say that our harbor defences ought to be made satisfactory, and that at some of our harbors fixed defences alone are not sufficient. In Port Phillip, for instance, we must have some floating defences in addition to fixed defences. I do not suggest that the *Cerberus* should be re-armed, although £2,000 has been placed on the Estimates for that purpose. That sum was included in the Estimates before I had left office pending certain investigation. Before I left office, I wrote a minute, stating that the investigation referred to had proved that the money should not be spent in that direction, but in some other manner.

Mr. PAGE.—Would the honorable and learned member vote against that appropriation being made?

Mr. McCAY. — Certainly. In the event of no other honorable member taking action, I shall move that the item be struck out. We must have our land defences, in which I include movable land forces, whether they be called field or garrison forces, as well as our fixed defences. Movable land forces would comprise infantry, mounted troops, field artillery, and various other corps, such as engineers, transport corps, army service corps, and so on. Fixed defences consist of big guns, and of quick-firing guns, the latter being required to meet torpedo attacks, twelve-pounders being recognised as the proper class of guns to use for the purpose. The fixed defences would also include something that we have not yet properly provided, namely, a proper electric light equipment, including movable search-lights and fixed beams. All these things will have to be done before we shall have fulfilled that elementary duty to the Empire and to ourselves of which I spoke at an earlier stage. Major-General Hutton when he was here two or three years ago propounded a scheme for the constitution of the best force for the purpose of defending the Commonwealth. I shall speak in round figures, because I do not wish to bother honorable members with details. He proposed that the land forces should have a peace strength of 26,000 men, and a war strength of 40,000. The 40,000 men were to be used as garrison troops and field forces. A number of criticisms have been directed against field forces on the ground that they are intended to be used to take part in Imperial wars elsewhere. That is an entirely new idea, and nothing of the kind is contemplated. In 1894, the States Commandants, in conference, recommended that garrison and field forces should be maintained. As a matter of fact, we have always had them, although they have not been so called. In 1901, the Commandants recommended the maintenance of field and garrison forces, and the Colonial Defence Committee has approved of the division into garrison and field forces. Although the Committee has been attacked by many persons, its opinion is worth a good deal. When he came here in 1902, Major-General Hutton advocated that we should have field and garrison forces, adopting a view

that had been already approved as sound. I think that all those who expressed this view were right, and I believe I know the reasons that actuated them. Although the States of Australia are united in the Commonwealth, and although one of the avowed objects for which we were united was to perfect our defences, the fact of our political union does not alter the strategical considerations that have to be taken into account when arranging for the defence of Australia. We have an extensive coastline, our great cities are situated on the coast, and our population is small. Our great cities are situated at a considerable distance from each other, and as any attack that we may reasonably apprehend will be sudden but not lasting in its character, we must maintain as near to the possible points of attack—leaving out of consideration many minor places that will have to take their chances without having any provision made for their defence—

Mr. CARPENTER.—We shall need the transcontinental railway to enable us to do that.

Mr. McCAY.—That will affect only in degree and not in kind the point to which I am referring. We shall have to maintain comparatively near to our most vulnerable points forces sufficient, at any rate, to repel a first attack. After that we may rely upon reinforcements being despatched as the enemy's attack is developed. An enemy can choose his own point of attack. We cannot know at what point he will approach us until he has actually arrived there. Then when he develops his attack reinforcements will be sent to the aid of the forces stationed at that particular spot. That is why we must maintain near to our main ports, our harbors, our coaling stations, and our commercial centres forces of garrison troops, and also forces of greater mobility which can be moved readily from spot to spot, and which may be fairly called field forces. It does not matter what name is applied to these forces. We may call them the first and second lines of defence, the A and B forces, or we may use the terms, employed in the war-game, of red troops and blue troops. But by whatever names the forces may be known, it is imperative that we should have the garrison forces in the immediate neighbourhood of our most vulnerable points, and also movable forces which can be transferred from point to point as occasion may require. That is why we

need a much larger force than, in one sense, our population would seem to demand. Some people say 40,000 soldiers, consisting of horse, foot, and artillery, would be more than sufficient to deal with any force they would be called upon to encounter. I entirely agree that we are not likely to have to meet 40,000 or even the half of that number of an enemy; but it is because the enemy can attack us at whatever point he may choose, and because we shall have to meet him in equal or superior force at whatever point he may land that we require a comparatively large number of men. We are compelled, for strategic reasons, to maintain that force. Now, I wish to speak of that other branch of our defences to which the honorable member for Wentworth chiefly devoted his attention, namely, our fixed defences. Upon that subject the honorable member speaks with a great deal of weight, because I confess that I have always felt that if I could meet his criticisms I should be able to go a long way in the right direction. The honorable member makes speeches upon our defences that are entitled to consideration by any honorable member who is interested in the subject. It is quite true, as was mentioned by the honorable member for Darwin, that armaments are continually changing; but the honorable member drew from that fact the novel conclusion that we should not have any armament. With that view I do not agree. He wishes us to wait until we reach the final result of the development of modern weapons before we proceed to arm our forts. I can assure the honorable member that when that time arrives he will have no further interest in weapons of any kind. Armaments are continually changing. Since the Commonwealth came into existence the whole idea—in the Navy at any rate—with regard to the calibre of big guns has changed. The 6-inch gun was a few years ago the main weapon used in naval armament, and was also the chief gun of position. That idea has now been entirely changed, and the naval authorities are beginning to regard 6-inch guns as already belonging to the past. The armaments of our forts at present consist mainly of 6-inch guns.

Sir JOHN FORREST.—Those are the guns to be mounted at Fremantle.

Mr. McCAY.—There are to be two 7½ guns and two 6-inch guns. It is perfectly right that we should have 6-inch guns in addition to others, and there is a very good

reason why 6-inch guns should be placed in position at Arthur's Head, instead of 7½ guns, because the fort is not big enough for weapons of the larger calibre. It is well understood that there must be a certain distance between the guns, and that the larger the guns the greater the space required. Ideas with regard to armament are continually changing, and if we were to keep on re-arming our Australian forts as developments occurred, to keep them up to date, probably reaching the stage at which we should require to purchase 12-inch guns, we should have to spend about £200,000 per annum upon big guns alone. We cannot possibly afford to do that, and, moreover, it is not necessary for the reason that our Australian forts are less likely than are the forts in any other part of the Empire to have to engage in long encounters with a hostile squadron. Any engagements will probably be short and sharp, whether they prove decisive or otherwise.

Mr. PAGE. — Surely the honorable and learned member does not mean that we should not have the best armaments.

Mr. McCAY.—Certainly not; but I contend that we cannot afford to spend all our money upon armaments for our forts to the neglect of other necessities. We must keep on re-arming our forts all round our coasts as opportunity offers. For instance, supposing we start at Fremantle, we shall eventually reach Sydney, and by the time we have finished at Sydney we shall probably have to recommence at Fremantle. That is exactly what is being done. Fremantle is being armed with reasonably good guns, and the fort there will be, for its size, the best equipped in Australia. It is being armed with mark 7 6-inch guns, and the very best and latest mark of 7½ gun. My intention was that we should pass by Adelaide because it is an open question how far forts in St. Vincent's Gulf are of any value. At any rate, 6-inch guns will do there, whilst they have only 6-inch guns in several other forts. The port that most requires an improvement in its defences is Melbourne, and after that has been attended to Sydney should be re-armed with bigger guns. We have one necessity at all our forts, namely, that the quick-firing armament against torpedo attack should be improved, and it is the duty of the Government to consider whether the necessary weapons should not be included in their purchase of special war-like stores. Major-General Hutton proposed to expend

£525,000 in order to place the equipment of our forts upon a war footing. We thought at the time that that amount would cover everything. I wish that it would. Apart from anything mentioned in Major-General Hutton's scheme, I have a little list here, comprising items which involve an expenditure of £800,000.

Sir JOHN FORREST.—Upon whose recommendation is that estimate based?

Mr. McCAY.—I take the responsibility for these figures.

Sir JOHN FORREST.—They are not founded upon the opinions of any expert?

Mr. McCAY.—Oh, yes; there are expert opinions behind them. But I am putting these figures forward as my own opinions at the present time. Major-General Hutton's scheme involved an expenditure of £525,000. In 1903-4, £97,000 was spent under that scheme; in 1904-5, £138,000; and for 1905-6, it is proposed to expend £154,000. But in 1904-5, in addition to the items appearing in Major-General Hutton's scheme, £36,000 was expended upon things which were absolutely necessary, including £22,000 for material for small arms ammunition. Upon assuming office as Minister of Defence, I found that whilst we had a satisfactory reserve of small arms ammunition, and whilst, over a given period, we provided cordite for making good the ordinary consumption, we did not provide the shells in which to put the cordite, the caps to fire it, and the bullets. We therefore spent £22,000 upon those materials. We also expended £2,000 upon ammunition for the gun mounted at Hobart. Major-General Hutton's scheme did not include ammunition for all the field artillery, and a further sum of £7,000 was spent in that direction. Then there was an item of £5,000 for naval expenditure.

Mr. HUTCHISON.—Major-General Hutton does not seem to have been too capable.

Mr. McCAY.—He did not include everything in his scheme; but it is only just to him to say that from a perusal of his reports one can discover what is wanted. He was a very capable man, and rendered great service to the Commonwealth. In spite of any differences that we may have had with him, there is no doubt that he started our defence system upon sound lines in many respects.

Mr. McWILLIAMS.—He required just a little more tact.

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Mr. McCAY.—I am not going to say anything derogatory to him. In 1905-6, it is proposed to expend upon matters which are not included in Major-General Hutton's scheme the sum of £27,000; most of it upon the two 7.5 guns at Fremantle, and the balance upon naval items. Honorable members will see that apart from the £525,000 involved in the late Commandant's scheme, there was spent last year, and is included in these Estimates, a further sum of £63,000. In one of his reports Major-General Hutton pointed out that no provision had been made for the ammunition supply column, which will cost £40,000. That column is absolutely essential to any force which may take the field. Then there is a certain quantity of big-gun ammunition required which will cost £70,000. We also need storage accommodation for the stores which we are purchasing, and this will entail a further outlay of not less than £40,000. All these matters were pointed out by the late General Officer Commanding. Then if our forces take the field, we shall have to provide them with blankets and clothing, which will cost £250,000. That expenditure, however, can be deferred until the emergency arises. Then we must recollect that our big guns in fixed defences are not placed there for all time. They must be replaced from time to time with more modern weapons, just as a rifle needs to be replaced. Then we want a number of other things, such as torpedo-boats in Port Phillip, booms, &c. Our electric light equipment will cost £13,000 or £14,000. We wish to retain our submarine mines till we have secured efficient substitutes for them in the shape of booms and torpedo-boats which are thoroughly equipped. In this connexion I may mention that the British Admiralty intends to abandon the use of submarine mines, but not until it has replaced them by torpedo-boats and booms. In order to re-arm the whole of our force with modern guns, we shall require to incur an expenditure of anything from £300,000 to £500,000, according to the extent to which we go. So that before we put Australia in the position of being able to discharge her duty to herself and the Empire—apart from the protection which is afforded by the Imperial Navy—we must spend some hundreds of thousands of pounds.

Mr. WEBSTER.—At what does the honorable and learned member estimate the total expenditure?

Mr. McCAY.—Leaving out of consideration the £250,000 for blankets and clothing, we should require to spend at least £600,000. Then, again, we need artillery ranges. Our field artillery will never be what it might be, with the men we have at our command, until we secure proper artillery ranges—ranges which extend, not over a couple of thousand yards, and upon which target practice may be had, but ranges over which the artillerymen can manœuvre. Artillery manœuvring is just as essential nowadays as is artillery firing practice, and we measure artillery ranges, not by acres, but by square miles.

Mr. WATSON.—In New South Wales recently the National Park was used for that purpose.

Sir JOHN FORREST.—At the end of the current year we shall have spent a large sum upon special armament.

Mr. McCAY.—The £600,000 to which I have referred is exclusive of the expenditure outlined in the whole of Major-General Hutton's scheme. If we spent every penny that is provided upon the current year's Estimates, an expenditure of £136,000 would still be required to complete that scheme.

Mr. JOSEPH COOK.—If that amount were expended, would the items be non-recurring ones?

Mr. McCAY.—Not altogether. Some of those items will be continually recurring.

Sir JOHN FORREST.—We are getting what we require gradually.

Mr. McCAY.—I am not proposing that we should expend the whole of the money in one year and out of revenue. Of course, I recognise that any Minister assuming charge of the Defence Department at the time of the year that Senator Playford took office, must accept the Estimates of his predecessor. Consequently, if any blame is to be attached to the Defence Estimates, it is attachable to me, and not to my successor, because they are my Estimates rather than his. When I joined the Reid-McLean Administration, I was faced with the position that Major-General Hutton's scheme was only half completed. As against that fact, there was an urgent necessity—it was a choice of evils, because we had not the money necessary to accomplish everything—for the instalment of the twelve-pounder quick-firing guns and the electric light at our forts. To effect these installations at all our forts would have cost about £70,000. We could not undertake

that work at Sydney or Melbourne without doing similar work at Fremantle and Brisbane.

Mr. WEBSTER.—The honorable and learned member means that it could not all be done at once.

Mr. McCAY.—It would require an expenditure of £70,000 to equip our forts with electric light and quick-firers.

Mr. WEBSTER.—Why cannot we undertake that work?

Mr. McCAY.—Simply because we cannot buy 30s. worth of material for £1.

Mr. WEBSTER.—The honorable and learned member has stated that we could not undertake work at one place without carrying out similar work at others.

Mr. McCAY.—It is not impossible, but it is not desirable to do so. Further, we need to order guns in considerable numbers, because it takes as long to get two delivered as it does to obtain delivery of twenty, and a long period is usually occupied in securing their delivery. I repeat that when I assumed office the position in regard to Major-General Hutton's scheme was that nothing had been completed by the votes of 1903-4 and 1904-5. The votes proposed for the current year will, to a large extent, complete that scheme. For instance, the vote for accoutrements will complete the accoutrements for the field force upon a war establishment; that for saddles will complete the equipment of the light-horse upon a peace establishment; the vote for the field artillery will bring us within twelve of our total number of guns, and will complete the equipment of sixty out of seventy-two guns. In the same way, the vote for camp equipment will complete the equipment of the garrison force; and that for medical equipment will complete the equipment of the field force upon a peace establishment. Every one of these votes will practically complete some work which was already in progress. Now, if modern wars have taught anything, it is that it is not the largest army, or that imbued with the greatest patriotism, which wins, but the army which contains the best leaders, and which is the best equipped in time of peace. Finding the equipment of our forces nowhere complete, I felt that it was my business to get these things rounded off during the present year. I believe that we shall be far more likely to accomplish good in that way than by adopting any other method. That is why I preferred



to undertake this work, instead of, for instance, mounting quick-firing guns to resist a torpedo attack. I did not want Australia to be cursed with a system of incompleteness by beginning a second work before the first had been finished. The provision made upon these Estimates will bring us to a point at which many of the proposals included in Major-General Hutton's scheme are practically complete, so far as equipment is concerned. We have not the money to accomplish everything in one year. My idea was that we should be able to say, "Now that this work is complete, we may turn our attention to another."

Mr. AUSTIN CHAPMAN.—A great deal of that incompleteness is due to the omissions from Major-General Hutton's report.

Mr. McCAY.—It is not owing to anything, except that we could spend only a certain sum in each year. In the first year we could not finish any of the works outlined, and in the second year we could not complete everything. The Treasurer seems to entertain the idea that there is some magic in increasing the number of rifles. I have no desire to see the members of rifle clubs hampered in any way, but I ask the Government not to be induced to purchase more rifles whilst they have not sufficient equipment for the number of men whom our present stock of rifles would supply. We have in the Commonwealth magazine rifles for every man in the Australian forces upon a war establishment. There are 40,000 troops in the Commonwealth upon a war footing, 9,000 of whom do not require rifles, and we have 35,000 magazine rifles available, including 5,000 of the new service short weapon, as to the superiority of which there appears to be some doubt, although the War Office is adopting them, and they have been given to our light horse. We have the rifles to equip the forces on a war footing; but let us put them on a war footing in other respects before we think of buying stands of thousands of rifles. Let us have them all in time. Do you remember, Mr. Chairman, what Wolseley said of the American Civil War: that a completely equipped army corps of 35,000 men properly led could have won on either side. And yet we know that there were hundreds of thousands of men engaged in that war. We must have our forces completely equipped. A small completely equipped force is better than a large one incompletely equipped. To say, "Here are 10,000 men and 10,000 rifles; fill your pockets, men, with

ammunition, and God bless you," would be to show an utterly mistaken conception of what is required. It is not from the possession of tens of thousands of trained half-equipped men that success will come; but rather from a thoroughly equipped force, whatever be its size. We have 40,000 men set up as the standard for the war strength of our garrison and field forces. Let us see that they are completely equipped before we do anything more.

Sir JOHN FORREST.—The men whom we sent to South Africa did not have much training.

Mr. McCAY.—Quite so, and it was the lack of training which caused them to be less valuable than they would otherwise have been.

Sir JOHN FORREST.—But still their services were valuable.

Mr. McCAY.—Undoubtedly. I am suggesting not that a man with a rifle is of no value, but that a completely equipped force is better than an ill-equipped one. It was those contingents which consisted of officers and men with little training that did harm to the name of Australia in South Africa, so far as the attacks upon it were justified. A disciplined, well-trained, well-equipped body of men, led by trained leaders, can do far more than can a much larger body of untrained imperfectly equipped men. With a small number of well-equipped trained troops, I should be prepared to meet, without any fear, a large body of undisciplined unequipped men, and I urge the Government to carry out the suggestion I have made. The next step to take will be to secure quick-firing guns and search-lights for our fixed defences.

Mr. KELLY.—We certainly need cordite ammunition for the quick-firing guns.

Mr. McCAY.—When I took office as Minister of Defence, I found that guns had been ordered without ammunition. That is one reason why I had to spend £7,000 on ammunition for the field guns, and also £1,800 on ammunition for the 6-inch gun for Hobart—although that gun was a transfer from South Australia. I ordered twenty-four field guns, as well as two or three big guns, and in each case I also ordered a proper complement of ammunition, so that when the guns arrived the ammunition should also be forthcoming. In estimating the price of a gun, it is necessary to include the cost of its proper complement of ammunition, and it is for this reason that I say that the twelve pounders

will cost £2,000, instead of about £1,200 each. The proposed vote for special warlike stores was fixed at a certain amount. I need not say that the late Treasurer did not give me a free hand. I provided £180,000 for this purpose, and I trust that it will all be spent. If it is not expended on the items specified, I trust that the Treasurer, instead of seeking to actually save the money, will expend it on other stores—such, for example, as twelve-pounders for our fixed defences—that we can obtain from England. That would be the right thing to do. It must be remembered that these items do not come under Major-General Hutton's scheme. We also require a floating harbor defence in some of our ports. It may be that we shall require torpedo boats, as well as torpedoes to be fired from fixed positions on shore. We need booms, and possibly we may require submersibles or submarines, but I have very grave doubts on that point. I do not think that submersibles or submarines would be desirable adjuncts to our defences. They can be used only against a fixed mark, and an enemy is unlikely to stay long enough at any one spot to afford us that fixed mark. I do not wish to discuss at the present time any of the details of the Estimates, although no doubt a number of questions will be raised at the proper time, and I hope then to be able to say something about them. I have endeavoured to explain to the Committee why I think that the proper development of Australian defence is in the direction of providing a thorough equipment for our land forces, whose war strength is about 40,000 strong, and of thoroughly equipping our forts, with the addition of auxiliary floating harbor defences. This is essential to enable Australia to discharge her duty to herself and her duty to the Empire of which I spoke earlier this afternoon. Desirable as it will be to have some vessels for the protection, at any rate, of our coastal trade in time of emergency—and I would remind honorable members that if the contingency comes, these vessels to be of any service must be placed under the orders of the officer commanding the Imperial Squadron—if we wish Australia to launch out on what is called an Australian Navy, we must first complete the work I have indicated. The inevitable dilemma on the horns of which the advocates of a partial Australian Navy find themselves is

*Mr. McCay.*

that that navy must, when the pinch comes, obey the orders of one central authority.

Mr. WEBSTER.—Would the honorable member advise that we should not train our men for the navy?

Mr. McCAY.—The present Estimates provide for an increase of nearly 30 per cent. in the naval forces—for an increase of 200 on 600 or 700 men. I certainly wish to see our Australian sailors trained, but I desire to warn the Committee, if I may be permitted to do so, that, in view of the scheme which is now being developed, there is a definite object to be attained, and that if we leave that scheme to start on another, we shall not be able to complete it within a reasonable time. We shall not be doing our duty by abandoning a scheme which we can complete within a reasonable time. When we have our naval bases, our coaling ports, our harbors of refuge, and our centres of commercial and industrial life quite safe, so that from those safe points our fleet, or the Imperial Squadron, may move out to strike the enemy, secure in the knowledge of a safe point of retreat if it be required, and that our coastal shipping and our oversea trading vessels will be safe in harbors where they may temporarily lie up in case a great emergency arises—and it would only be in time of great emergency that this condition of affairs would arise—it will be our duty to see how we can best develop a navy of our own. But until Australia chooses to maintain such a navy that it can meet other navies without Imperial assistance, I shall decline to support a proposal in that direction. I shall decline to do without the Imperial assistance and the assurance that is provided by our living under the Imperial flag. But our harbors and our coastal and sea-borne commerce, and the commerce approaching our shores are proper objects for Commonwealth protection, so far as sea-going ships, cruisers, and so forth can insure their protection. That is the object at which we should aim. I appeal, however, to the Committee not to leave one thing unfinished to begin another. The proper development is that which I have outlined. No nation ever developed into a great maritime power without first making herself safe on land—without making a secure launching point from which her naval power might proceed.

Mr. POYNTON.—Is the honorable member going to make any suggestion as to ways and means?

Mr. McCAY.—I hold that we cannot do all this out of revenue, and I have strong objections to the Commonwealth becoming a borrowing community. I say frankly, however, that we need to get promptly into a proper position, so as to be able to develop Australian defence in the way that it ought to be. That cannot be done with the small sums that are available year by year for such a purpose. It seems to me, therefore, that the only way in which we can deal with the matter is to take the bull by the horns and to say clearly that we wish to secure a good start. We have not yet got it. Let us obtain the necessary money by the issue of, say, Treasury-bills, repayable in the course of five or ten years. I should certainly have this expenditure covered by the revenue of the next ten years at the outside. Let us acknowledge that there is a good deal that has to be done. I have not yet said much about the naval side of the question, but I do not wish it to be thought that I am hostile to the suggestion that we should have Australian-owned ships or Australian sailors. As a matter of fact, I am not. I am simply urging that these proposals should not be taken out of their order.

Mr. JOSEPH COOK.—Has the honorable and learned member made any financial forecast?

Mr. McCAY.—Including the cost of supplies not yet ordered under Major-General Hutton's scheme, the outlay will be about £800,000. I think it is desirable that we should say frankly, "We will discount a bill for £800,000, or a smaller sum, if it be found possible. We will discount the bill, whatever it is, and pay back the money by instalments during the next eight or ten years." We should then have our defences on a proper footing, and would be able to continue on a less expenditure than would otherwise be necessary.

Mr. CHANTER.—Could we not make this provision by retaining the whole of our one-fourth of Customs revenue?

Mr. McCAY.—No; I have the taxpayer in mind. If we expended the whole of that revenue the States would have to make good the difference by some other means.

Mr. CHANTER.—The position would be the same if we borrowed the money.

Mr. McCAY.—But one may borrow £1 and repay it by ten instalments of 2s. each.

Mr. HUTCHISON.—If life and property need this protection the people must pay for it.

Mr. McCAY.—I am merely expressing my view that the taxpayers of the Commonwealth cannot afford to at once incur this expenditure; they cannot afford to pay £400,000 this year, and another £400,000 next year for any such purpose as special warlike stores and guns.

Mr. WEBSTER.—We might have secured these stores when we had a larger surplus to return to the States.

Mr. McCAY.—I then had no direct responsibility; but I always bear in mind the fact that it is the taxpayers themselves who have to provide this money, and that the Treasurer does not obtain it from some mysterious unknown stream. We have to take the bull by the horns, and recognise that we must spend this substantial sum within the next year or two. The only suggestion that I have to make is that we should provide the money by means of short-dated Treasury-bills—or whatever particular form of obligation it is proposed to incur—and redeem them by annual instalments out of the Commonwealth revenue. I should not leave these annual instalments to the mercy of the annual Estimates, but at the same time as the money was provided would pass an Act appropriating revenue for this purpose for a given time.

Mr. HENRY WILLIS.—The guns would have to be replaced before the whole of the money was repayable. The honorable and learned member himself made that admission.

Mr. McCAY.—It will be unnecessary to replace the guns more often than at intervals of eight or ten years. What I said was that if the idea were developed, we might have to make changes. I have spoken at much greater length than I had intended, but the subject of defence is one in which I take a deep interest. I have ventured to elaborate my views, realizing the seriousness of the situation to Australia, and I hope that what I have said may possibly be of some service to the Government of the day, and assist them to solve this very difficult problem.

Mr. ROBINSON (Wannon).—I wish to commence my remarks by expressing my sense of the value of the most excellent speech of the honorable and learned member for Corinella. What many of us have been waiting for a considerable time to hear has been a complete,

connected, and consistent exposition of a defence policy for the Commonwealth. In the speech to which we have just listened, and which secured the rapt attention of honorable members, a vast amount of information was given to us. It is a speech which I think ought to be reprinted; and I certainly hope that steps will be taken, either by the honorable member or by his friends, to see that copies of it are circulated through the country press. In listening to the Budget which the right honorable the Treasurer delivered last week, I could not help thinking of a prediction made by the present Chief Justice of Australia, Sir Samuel Griffith, that the finance question is likely to be the rock upon which this Federation would find it very difficult not to split. The speech of the right honorable gentleman seems to me to indicate that we are in danger of getting upon the financial rocks; or, if we ourselves avoid that danger, certainly we are in danger of getting some of the States upon the rocks. I regret that the right honorable gentleman should have dealt in such a casual way with what seems to me the great safeguard of the States under our Constitution—what is known as the Braddon section; and I gave expression to my astonishment by interjection when the Treasurer made his remarks.

Sir JOHN FORREST.—There are other ways to protect the States, apart from the Braddon section.

Mr. ROBINSON.—The right honorable gentleman is reported at page 1217 of *Hansard* to have alluded to the matter as follows:—

I do not see that much good can result to the States by extending the duration of the Braddon provision.

Sir JOHN FORREST.—“To the States,” the honorable member sees.

Mr. ROBINSON.—

It may restrict the spending powers of this Parliament, but I cannot imagine that we shall do anything to injure the people of the States.

Mr. JOSEPH COOK.—How long has the Treasurer been of that opinion?

Mr. ROBINSON.—The interjection of the honorable member for Parramatta is most pertinent. How long has the right honorable gentleman been of that opinion?

Sir JOHN FORREST.—The sentence quoted by the honorable member follows after some other observations on the same subject.

Mr. ROBINSON.—I am quite aware that the Treasurer said that protection to the States might be secured by giving them a fixed sum; but he also stated that in Canada, where that was done, the conditions were so different from those in Australia as to make the example of very little value to us.

Sir JOHN FORREST.—In regard to the amount paid, I meant.

Mr. ROBINSON.—The States of Australia have regarded, and still regard, the Braddon section as the only one which secures to them a sufficiency of revenue to meet their annual obligations, and it seems to me that any proposal which impairs that safeguard without replacing it by some equally valuable one is most dangerous.

Sir JOHN FORREST.—Hear, hear! I agree with that.

Mr. ROBINSON.—We are faced by the fact that by the year 1911 this Parliament, unless action be taken to the contrary, will be in a position to distribute the whole of the revenue received from Customs and Excise absolutely as it pleases. It is, therefore, imperative that those who desire the States of the Commonwealth to remain in a solvent, prosperous condition should see that steps are taken to safeguard their interests. There are three aspects of the Budget to which I wish to address myself. The first is the cost of Federation. Reference was made by the right honorable gentleman to the estimate of the cost of Federation given to the Adelaide Convention in 1897 by Mr.—now Sir Frederick—Holder, our present Speaker. The paper which was laid upon the table of the Convention, at his instance, estimated the total probable new Federal expenditure. We cannot look at that estimate and compare it with the estimates of expenditure for the current year without noticing that there is a constant tendency to increase, and that we are faced by the prospect of a considerable rise in the cost of the Federal Departments. For example, I find that the estimate of the cost of the Legislature and the Executive was about £123,000. That sum has already been exceeded by about £12,000 or £13,000. There is no likelihood of the increase being reduced, but rather of its being increased. The estimate for the expenditure of the Home Affairs Department, with which was included the cost of a High Commissioner, was £18,000. I find that the Department of Home Affairs is estimated for the

present year to cost £42,000, exclusive of any provision for the High Commissioner. In every other Department one finds similar increases in Federal expenditure. The prospect held out to those who wish to see economical government, and a large amount of money returned to the States, is not a very pleasing one. The matter is further complicated by the introduction of the very difficult sugar bounties question. In connexion with this question, the Treasurer made a most extraordinary statement in the course of his Budget speech. The right honorable gentleman gave an estimate as to the cost of Federation, and proved to his own satisfaction that it was last year £312,000, the year before £342,000, and that it would this year be less than £300,000. When one examines the whole of the figures, one is forced to the conclusion that those who put that sum down as the cost of Federation must make use of a system of arithmetic peculiar to themselves.

Sir JOHN FORREST.—From what page is the honorable and learned member quoting?

Mr. ROBINSON.—From page 1208 of *Hansard*. The right honorable gentleman estimates "other" expenditure this year at £296,961, and there is a further estimate of expenditure of £589,081, and he says this:—

The amounts included in the £589,081 would have been expended if Federation had not been accomplished.

I deny that statement as vigorously as it is possible to do, because I find that one item included in the amount is an expenditure in connexion with sugar rebates, amounting to £151,670.

Sir JOHN FORREST.—I clearly pointed that out.

Mr. ROBINSON.—That expenditure is a purely Commonwealth expenditure. If we take the State of Victoria for example by no possible means can it be shown that any portion of the sugar rebates would have had to be paid by Victoria, if it were not for the accomplishment of Federation. Before Federation, the revenue derived by Victoria from sugar amounted to £290,000 a year. This year the revenue of Victoria from sugar will come down to £150,000. We shall thus have lost about 50 per cent. of our revenue from sugar, whilst wholesale and retail consumers of sugar in Victoria will not get that commodity at a fraction of a penny cheaper than they got it before Federation. As a result of the policy adopted by the Federation, there has

been no reduction in price, and the greater portion of the benefit derived from that policy is being reaped by one very wealthy company—a concern of a most profitable nature. In addition to the loss of revenue which we in Victoria suffer from the present sugar policy of the Commonwealth, our fruit-growing industry, which was a very flourishing and promising industry, is being slowly strangled by the operation of that policy.

Sir JOHN FORREST.—How will it be strangled?

Mr. ROBINSON.—I propose to show the right honorable gentleman. In dealing with the fruit industry, I can claim to speak with some little knowledge, because two brothers of mine were deluded into going into this industry some years ago. I think I can say that they sank about £2,000 in the industry, and they have been very glad to clear out of it at one-fifth of the amount which they put into it.

Sir JOHN FORREST.—There has always been a duty on sugar in Victoria.

Mr. ROBINSON.—I have had a statement prepared relating to the effects of the sugar policy of the Commonwealth, which has been checked by my relations, who have been engaged in the fruit industry, and also by the members of the Goulburn Valley Fruit-growers' Association. The statements I propose to make on the subject have been confirmed by experts in the trade. These men, who are earning their living from the industry, of their own knowledge assert that these statements are accurate and well founded. The fruit-growing and preserving industries are very large industries in Australia, and they would now be much larger only that, as I say, they are being strangled by the sugar policy adopted by the Commonwealth Parliament. I might here say that, although the fiscal question comes into the matter to some extent, I am prepared to sink my free-trade views, and to give a reasonable amount of assistance to growers of sugar by white labour, in order to secure, if we can, the triumph of the policy of a White Australia. But I do say that the policy that we have adopted in the past is a policy involving the most extravagant waste of public money, and one which is throttling what ought to be a very flourishing industry.

Mr. JOHNSON.—I said the same thing, and the honorable member for Moira denied it.

Mr. ROBINSON.—In dealing with this question of the effect of the sugar policy on the fruit-growing industry, honorable members should be informed that the whole of the fruit grown in an orchard is not used for fruit preserving or jam-making, and if we say that about one-half of it is so used, we shall be making a reasonable statement. I take the case of an orchard in which plums are grown. In the statement to which I have referred I find the following:—

Plums.—One acre is usually planted with 120 plum trees, the average produce of which is 1½ cases, equal to 60 lbs. The average yield per acre, therefore, is 7,200 lbs. of fruit, which, at ½d. per lb., the average return during this season, would give £15 per acre. To transfer this quantity of plums into jam, requires 7,200 lbs. of sugar, the duty on which, at £6 per ton, amounts to £18 5s. 8d.

Sir JOHN FORREST.—Why does not the honorable and learned member refer to the £3 Excise duty?

Mr. ROBINSON.—Permit me to deal with this matter in my own way, and I shall come to the Excise duty afterwards. I am now dealing with the case of a man who, in the first instance, pays duty in Victoria, and showing that those who use colonial sugar do not thereby get an advantage of more than a few shillings, the reduction made on colonial sugar being just sufficient to prevent other sugar coming into the market. Some sugar has, of course, to come in, because the local production is not sufficient.

The duty on the sugar actually amounts in this case to 128 per cent. of the value of the fruit, and sometimes more than the value of the land with its improvements, on which the fruit is grown.

Peaches.—The usual number of trees per acre is 100, each yielding on an average 80 lbs. of fruit, or 8,000 lbs. per acre. The average price paid to the grower is £7 per ton, equal to £25 per acre. Stoning reduces the weight of the fruit by 10 per cent., i.e., 7,200 lbs. An equal quantity of sugar being required to convert this into jam, the duty in this case amounts to £19 5s. 8d., or to 77 per cent. of the value of the fruit.

Sir JOHN FORREST.—What was the tax before Federation?

Mr. ROBINSON. — Before Federation there was in Victoria a duty of £6 per ton on sugar from Queensland or any other part of the world, except beet sugar, and in respect of the sugar used by factories a rebate was granted.

Sir JOHN FORREST.—Where, then, is the injury?

Mr. ROBINSON.—I hope the right honorable member will allow me to proceed in my own way, because I desire to show the

difference between the two policies. I desire to show how, when the present policy comes to fruition, the whole of the damage will have been done; that, while the people of Australia will not receive a copper in revenue, the Colonial Sugar Refining Company will be made a present of about £1,000,000. The statement continues—

Apricots.—140 trees per acre, yielding 8,400 lbs. per acre. At the average value of £7 per ton, the grower would receive £26 5s. per acre. Stoning reduces the weight to 7,500 lbs. An equal quantity of sugar is necessary to make into jam, the duty on which, at £6 per ton, amounts to £20 5s., equal to 77 per cent. of the value of the fruit.

Quinces. — The yield averages 4 tons per acre, of an average value of £3 per ton. An equal quantity of sugar is required to convert these into jam, i.e., 4 tons of sugar. The duty, therefore, amounts to £24 per acre, equal to twice the value of the fruit.

To put these facts in another way:—

	Value of produce per acre.				Sugar duty per acre of fruit.		
	£	s.	d.		£	s.	d.
Quinces	...	12	0 0	...	24	0	0
Plums	...	15	0 0	...	19	5	8
Apricots	...	26	5 0	...	20	5	0
Peaches	...	25	0 0	...	19	5	8

	Value of produce per ton.				Sugar duty per ton of fruit.		
	£	s.	d.		£	s.	d.
Quinces	...	3	0 0	...	6	0	0
Plums	...	4	13 4	...	6	0	0
Apricots	...	7	0 0	...	5	8	0
Peaches	...	7	0 0	...	5	8	0

I repeat, for the purpose of allaying misapprehension, that it is not the whole of the orchard that is used with the object of fruit preserving or jam-making. The Treasurer has pointed out that locally-grown sugar cultivated by black labour pays only £3 per ton to the revenue, sugar cultivated by white labour paying £1 per ton only, as against £6 per ton paid on imported sugar; but the right honorable gentleman forgets that there are certain circumstances which must be taken into account. Prior to Federation, Queensland sugar was sold in Victoria at £13 per ton in bond; that is to say, it paid a duty of £6 per ton, and was then sold at £19 or £20 per ton. The fruit-preservers and jam-makers in Victoria could buy Queensland sugar in bond at the price I have named. The import duty on sugar in Queensland was inoperative in that State, as a duty on wool would be inoperative, seeing that far more is produced than is required for the local market. The whole of the sugar produced in Queensland was, therefore, sold at the world's price, which was about £13 per

ton. At the present time a purchaser cannot obtain the A1 sugar of the Colonial Sugar Refining Company much under £24 per ton, less a certain small discount, though it is only fair to say that there has been a rise in the price of sugar all over the world, partly owing to the denunciation of beet sugar bounties. Owing to the causes I have indicated, there was an increase in the world's price of about £5 per ton; and in Queensland, of course, every sugar-grower benefited, just as the wool-growers of Australia would benefit by an increase in the world's price of wool. Before this rise took place, sugar from China, the Mauritius, or any of the Eastern ports was landed in Melbourne at £13 2s. 6d. a ton, whereas now it is about £18 7s. 6d. per ton. The A1 sugar of the Colonial Sugar Refining Company was formerly £20 per ton in Melbourne, whereas now it has gone up to about £23 per ton. It is most astonishing that Queensland sugar has always been cheaper in Melbourne than in any other part of the world, and prior to the rise in price that sugar in bond in Melbourne was £6 per ton more than the imported sugar, whereas after the rise the difference between the two was only £3 14s. That shows that the whole of the duty has been collected by the Colonial Sugar Refining Company; but, in fairness to that company, it must be said that it did not raise the price to the extreme limit to which it could have been raised in competition. However, the reasons for that policy were given by the chairman of directors of the company on the 28th October last—and those reasons are worth repeating—as follows:—

Unfortunately, we have not, except to a very moderate extent, been able to profit by the heavy advance in price, for the large production of sugar in Australia this season, unduly augmented by importations from various quarters, compels us to maintain our rates at a level which, while discouraging further importations, would insure the disposal of our supplies, and, as we have only recently raised our prices, last half-yearly accounts do not derive any benefit therefrom.

The "moderate extent" to which local sugar has so far benefited by the rise is, nevertheless, £2 17s. 6d. per ton.

Sir JOHN FORREST.—What dividend was declared?

Mr. ROBINSON.—Last year I think a dividend of 15 per cent. was declared. This is a very well-managed company. The directors show only enough profit to pay

good dividends, the balance being expended in wiping off imaginary depreciation and in ways of that kind—something like a company with which we are all familiar when we travel in the trams to Parliament House. The sugar industry flourished in Queensland when the price was £13 per ton, and the price is now £23 per ton. But out of that return, excise of £3 per ton has to be paid if the cane be grown by black labour, and £1 per ton if it be grown by white labour. Thus the net return to the producers, growers, and refiners, is about £7 to £9 per ton more than previously. If we take the lowest estimate, and say that the price is only £7 10s. higher, there were 150,000 tons produced last year, so that through the increased price caused by our present policy, and the rise in the world's price, the industry is receiving over £1,000,000 more than the profit which used to be derived from the same quantity of sugar prior to Federation. That, of course, does not represent all the burden that is placed on the shoulders of the users of sugar. There is not only this £1,000,000 paid to the people engaged in the industry, but the Government collects about £530,000 in revenue, after allowing, of course, for rebate or bounty. The total sum collected from the people in respect of the sugar industry is nearly £1,600,000, and only one-third of that goes into the Treasury. According to the Customs Tariff Act, when this policy in regard to sugar is completed, not only will the bonus and the excise cease, but the present duty is to be maintained, and if 180,000 tons represents the consumption of Australia, this company will be able to collect £5 or £6 a ton, or from £900,000 to £1,000,000 from the people, and the Treasury will not get a solitary sixpence of the amount. For some years past, the great bulk of the sugar has been produced by black labour, and the sugar-growers have received a very handsome bonus from the country. Prior to Federation, a large quantity of sugar was produced in New South Wales by white labour. Under the present policy, the sugar-growers in that State are very much better off than they used to be, since they get a bonus for doing something now which they used to do for nothing. They used to produce their sugar under a protection of £3 per ton. It seems an extraordinary policy. It must not be forgotten that one very important item in the Tariff which

keeps the sugar market in subjection to one company is the fact that the import duty is £10 a ton on beet sugar and £6 a ton on cane sugar. The result is that beet sugar cannot possibly be shipped to Australia. If beet sugar were subject to the same duty as cane sugar, there would be a very great possibility of a large quantity of the former being landed here. But under the present system the possibility of keeping the local company in check is annihilated by the difference in duty on the two kinds of sugar. As I have said, I am prepared to make a sacrifice for the purpose of allowing this policy to be carried out, and assisting to make it successful if we can. But at the same time, I do not wish to see the large and abundant revenue which the States used to collect from this source imperilled. If the policy of the first Federal Parliament be carried out to its extreme degree it will land us in the position that not a fraction will come to the revenue from sugar, because, not only the bounty, but the excise duty is to cease, and the people of the Commonwealth will pay an increased price for their sugar by reason of the fact that one company controls the Australian market.

Mr. CONROY.—I beg to call attention to the state of the Committee. [*Quorum formed.*]

Mr. ROBINSON.—It means that the people of Australia will have to pay a very large tax to the persons engaged in this industry. It must not be forgotten that prior to Federation the sugar industry obtained a footing mainly on free-trade conditions, and that for all sugar exported from Queensland, the Colonial Sugar Refining Company had to accept the world's price, then about £13 per ton, and now considerably higher. If we were to reverse our policy and go to extreme free-trade, the sugar-grower in Queensland would be better off than he was before Federation was established. I do not ask honorable members to take that course, but I do suggest that there is a remedy to be found whereby the States would receive some revenue from this source, and the interests of the States' Treasurers would be considered. I think that by imposing an import duty of £5 or £6 a ton on sugar, it is possible to levy an excise duty on sugar, allowing a difference of £2 between the import and excise duties in favour of sugar grown by white labour, and of £1 only in favour of sugar grown by black labour. That would be a sufficient sum to

allow to the sugar-growers, because then they would be £2 per ton better off than they were outside Queensland prior to Federation.

Mr. GROOM.—How about the internal market?

Mr. ROBINSON.—I cannot give expert testimony as to the fact; but I believe that prior to Federation the Colonial Sugar Refining Company sold its sugar in Queensland at the same rate as it did in Victoria in bond.

Mr. GROOM.—In fixing these prices, has the honorable and learned member taken into consideration the cost of production outside Queensland and in it?

Mr. ROBINSON.—No; what I have taken into consideration is the undoubted fact that prior to Federation the Colonial Sugar Refining Company sold its sugar in bond in Melbourne at £13 per ton. If we had complete free-trade established to-day, it would get a higher price than that. If sugar could be sold then at £13 a ton, certainly it could be sold at a profit when they would get £17 or £18 per ton. I do not ask any honorable member to agree to a policy so radical as that. If we were to impose an excise duty of £4 per ton and an import duty of £6 per ton a very large revenue would be derived from sugar; the Commonwealth would be better off, the industry in Queensland would be very handsomely treated compared with its condition prior to Federation, and the whole of the Commonwealth would gain by such a policy. This proposal is, I think, some violation of my free-trade principles, but I recognise that the industry is in a peculiar position. We have ordered the sugar-growers to reconstruct their business on a White Australia basis, and for that reason I think we should make a sacrifice of principle in the hope that we may bring that policy to a successful issue.

Mr. CONROY.—Why should we pay to keep in cultivation some of the best land in Queensland?

Mr. ROBINSON.—I believe it is rich land; but in the interests of Queensland I am prepared to make this sacrifice, so that its sugar-growers shall be unable to say that they were unfairly treated by this Parliament. If the present system be continued as proposed by the Treasurer, I feel convinced, as the honorable member for Maranoa interjected, that at the end of five years, we shall be asked to renew the bounty for another term of five or ten years, and



every time we take that course we shall be throwing away a large amount of revenue. If the people of Queensland were to get the revenue which they would get from such a policy as I have indicated, they would not be in the position in which they now are as regards the Federal revenue generally. Queensland has been hit very severely by the Customs arrangements of the Federation. For a number of years past that State has not got back three-fourths of its contribution in Customs and Excise duties, and its Treasurers have been at their wits' ends because the returns made to them by the Commonwealth Treasurer have not been so large as, previous to Federation, it was anticipated that they would be.

Mr. HENRY WILLIS.—South Australia has suffered, too.

Mr. ROBINSON.—Yes; but Queensland has suffered more than any other State in this matter. It is not, however, my intention to devote more time to the question now. I can only hope that steps will be taken by this Parliament to secure to the taxpayers of the States some of the reward which will otherwise go to a very large company, which is very skilfully managed, and well engineered, and an extremely profitable concern to those who have the good fortune to be shareholders in it. I wish next to deal with a matter which I consider still more serious—the taking over by the Commonwealth of the debts of the States. I must again express astonishment at the attitude of the Treasurer. It is arguable whether the Braddon provision should be extended. That is a point on which I believe honorable members hold different opinions; but in view of the earnest manner in which the present Treasurer and his chief supported the provision at a Conference of Treasurers held in 1904, I am filled with amazement at the casual and offhand manner in which he dealt with it in his Budget speech. Last year the Prime Minister, when at the head of a former Government, with the then Treasurer and the present Treasurer, attended a Conference of States Treasurers, at which proposals were made for the transfer of the debts of the States to the Commonwealth, the Government agreeing, upon certain conditions, to an extension of the Braddon provision, though, of course, they could not bind this Parliament. The Treasurer supported that position, and yet in his Budget speech he made a statement which indicated that he was not in favour of extending it.

My honorable friends in the Labour corner had a conference a short time ago, and passed a resolution affirming that the Braddon provision should be knocked on the head at the first opportunity, and the Treasurer therefore now sings the same tune. I congratulate them upon their victory, upon having added his scalp to the trophies at their belt; and I hope, for their sakes, that the right honorable gentleman will be found as docile in the future as he appears to be now. But unless the debts question is to be settled effectively before 1911, the outlook for the people of Australia will be serious. We in Victoria are better off than are the other States, because our burden of debt per head of population is less than theirs.

Mr. CONROY.—Including shire and municipal debts?

Mr. ROBINSON.—Even including them, Victoria's burden of unproductive debt is lighter than that of any other State.

Mr. GROOM.—Victoria, unlike Queensland, has not had a large territory to develop.

Mr. TUDOR.—Nor so much public land to sell.

Mr. ROBINSON.—I thank the honorable member for Yarra for the interjection. In the *Victorian Year-Book* for 1904 the Government Statist says that loans to the amount of nearly £60,000,000 have to be redeemed within the next ten years, and to the amount of £106,000,000 within the succeeding ten years. Unless the bulk of the Customs revenue is secured to the States, I do not think we can successfully negotiate for the redemption or extension of those loans.

Mr. SPENCE.—Let the people of Victoria put on a good land tax.

Mr. ROBINSON.—The amount of revenue to be derived from direct taxation is not illimitable, and if the honorable member were Treasurer he would find that he could not raise enough by that means to settle this question. Over £200,000,000 of the indebtedness of the States, interest and principal, is under their loan Acts chargeable on their public revenue; and five-sixths of their loans were raised while their Customs and Excise revenue was entirely under their control, and the balance while the bulk of that revenue was still being returned to them by the Commonwealth. It therefore follows that if their returns of Customs and Excise revenue are diminished, or altogether cease, their position

will be an unenviable one, because two-thirds of their revenue is obtained from that source. It may or may not have been a desirable thing, but it is an undeniable fact, that since the inauguration of responsible government in Australia the great bulk of our revenue has come from indirect taxation, and the loans which we have contracted have been practically charged on Customs and Excise receipts. Therefore, if the States are to meet their liabilities, the bulk of this revenue must be secured to them. If in 1911 the Commonwealth, by reason of this "let-slide" policy of the Treasurer, has obtained absolute control of the Customs and Excise revenue, the position of the States will be very serious. The statement contained in a resolution passed by a Conference of State Premiers in 1903 sums up the position more accurately than any words of mine would do—

That this Conference submits for the consideration of the Federal Government the following resolution:—"Having regard to the fact that the debts of the various States were incurred upon the security of the revenues of the State, and as the greater part of the revenues has been transferred to the Commonwealth in Customs and Excise duties, and having regard to the fact that the permanent financial stability of the States must depend upon either (a) the continuance of the application of the principal part of those revenues to the payment of interest of the debts; or (b) the imposition of very largely increased direct taxation in various States, it is resolved that in order to secure to the several State Governments the guarantee contemplated by the Constitution the provisions of the Constitution with respect to taking over by the Commonwealth of the debts of the States, or a proportion thereof, should be brought into operation as soon as possible."

Then they go on to say in words which, I think, no honorable member can successfully contest—

The experience of all constitutionally governed countries proves that an overflowing Treasury means a swelling expenditure. The only effective check upon an excessive expenditure of public money is the necessity of resting upon the spending body to provide ways and means by the imposition of additional charges upon the taxpayers. Where this necessity does not exist, or does not exist so far as the spending body is concerned, these manifold political forces tending to increase the public expenditure are left to work unchecked. To be effective the check must be direct and immediate, not indirect and merely consequential.

If the Treasurer's policy of letting things slide is to be pursued, the Federal Government will, in 1911, find itself in uncontrolled possession of an immense sum of money. There will be no obligation on their part to devise means to make charges

*Mr. Robinson.*

on the taxpayers, and they will escape all punishment for their misdeeds, because the evil will have been done before retribution, at the hands of the people, can overtake them.

Sir JOHN FORREST.—We shall have taken over the debts before that time.

Mr. ROBINSON.—In that case the Braddon clause will not worry the States, because if the debts of the States are taken over the tendency to extravagance on the part of the Federal Government will be effectually checked.

Sir JOHN FORREST.—We shall assuredly have taken over the States' debts before that period is reached.

Mr. ROBINSON.—I am very glad that ten days have brought about such a complete change in the views of the Treasurer.

Sir JOHN FORREST.—There has been no change. I have said that from the beginning.

Mr. ROBINSON.—I agree with the view taken by the late Treasurer, and I believe also by the right honorable gentleman now occupying that position, that some protection must be afforded to the Commonwealth, that is to say, when the Commonwealth is renewing a loan or floating a new loan, it must not be possible for a State Treasurer to spoil the market by rushing in and endeavouring to raise money. I believe that that is a sound proposition, and that steps should be taken to prevent any clashing of borrowing in the London market. The States' Treasurers should, as far as possible, be limited to the local market for borrowing purposes, and the Commonwealth should have the sole power to borrow in London.

Sir JOHN FORREST.—We are becoming more in agreement every minute.

Mr. ROBINSON.—If the right honorable gentleman will only carry out the suggestion made at the Treasurers' Conference in 1904, we shall be found working together, and the scalp which now adorns the belt of the honorable member for Bland will once more occupy its proper place. Three-fourths of the Customs and Excise revenue is undoubtedly insufficient to pay the interest on the States' debts. Therefore, the States' Governments must make up the deficiency in some way or other. It has been suggested that the Federal Treasurer should hold a floating lien over the railway revenues of the States. But strong objection had been urged to that idea, and, I think, rightly so, because railway policy is a

matter of internal development that we should leave entirely in the hands of the States' Governments. Mr. Irvine, the late Premier of Victoria, has made what I conceive to be an excellent suggestion, namely, that each of the States should pass a special Act, appropriating revenue sufficient to meet any deficiency between the amount received from Customs duties and the sum necessary to pay the interest on their debts. He points out with considerable force that the only protection the bond-holder has at present is afforded by the special States' Acts, which appropriate part of the States' revenues towards the payment of the interest on the money borrowed. If the States give the Commonwealth a guarantee of a similar character, it should prove sufficient. The Constitution provides that the States must indemnify the Commonwealth for any debts that may be taken over, and Mr. Irvine, who is a well-known lawyer, holds the opinion that that provision could be enforced before the High Court, and that that tribunal could find an appropriate remedy, in the almost inconceivable event of a State failing to make good any deficiency. I also agree with the idea of the right honorable member for Balaclava that a sinking fund should be attached to every loan, whether it be floated in London or upon the local market. In this connexion we ought to consider the true indebtedness of Australia, and compare it with the indebtedness of the mother country. The true indebtedness of a country is to be measured by the amount of taxation the people are called upon to bear in order to pay the interest on their debts. In the event of a Government borrowing money and spending it upon a reproductive work, such as a railway, which returns a revenue sufficient, not only to meet the working expenses, but the interest on the debt, no burden is imposed upon the taxpayer; but if the work is not remunerative, and does not earn a sufficient amount to pay the interest the taxpayers have to make good the deficiency, and the debt thus becomes a real burden. The national debt of Great Britain has been incurred for the purpose of carrying on what are called unproductive enterprises—that is to say, in the defence and extension of the Empire—and to this fact the Commonwealth and other portions of the Empire owe their existence to-day. It will hardly be believed by honorable members that, in spite of the

fact I have mentioned, the unproductive debt of Australia constitutes a heavier charge upon its citizens than does the national debt of Great Britain, which has accumulated during 200 years of struggle for existence as a world power. By "unproductive" debt I mean debt for which the people are taxed in order to pay interest. Upon page 694, of *Coghlan*, I find that for the year ended 30th June, 1904, the sum of £8,996,000 was required to pay interest and charges upon the public debt of the States of the Commonwealth. Of that sum, a total of £5,240,000 was raised from the works in which that money had been invested—from railways, water supply, harbor and sewerage works, interest upon advances to settlers, local bodies, and from the land settlement policy. That is to say, that about £3,750,000 has to be raised by taxation from the people of Australia in order to pay interest upon their indebtedness.

Mr. POYNTON.—Do they not receive an indirect benefit?

Mr. ROBINSON.—I shall deal with that aspect of the matter presently. It seems to me that the method of charging everything to posterity is one which is fraught with considerable danger. We pay about £3,750,000 yearly in interest upon unproductive debt. In other words, comparing our national indebtedness with that of Great Britain, it is, roughly speaking, about £100,000,000. We have to pay interest upon that amount out of taxation alone.

Mr. POYNTON.—We have an asset.

Mr. ROBINSON.—The honorable member does not follow me. I am taking the asset at its value. Of the whole of the works upon which money has been expended in Australia, interest is earned only upon £5,240,000. The balance of the interest has to be raised by taxation. Consequently, if we compare our indebtedness with that of the United Kingdom, we find that the latter does not constitute as heavy burden upon the people of the mother country as our debt does upon the taxpayers of Australia, notwithstanding that there is an indirect advantage received in both cases. The indirect advantage received here is the stimulus which has been imparted to the enterprise of the country. Whether that has not been too dearly purchased is open to question. In Australia, our unproductive debt represents about £25 per head of our

population—in Great Britain it is considerably less. There, I believe, it is about £18 per head. The interest which has to be met by taxation in Australia represents about 18s. 6d. per head; in Great Britain it does not exceed 9s. 6d. It will be seen, therefore, that from the point of view of indebtedness, we have a lot of leeway to make up. That is why I think that the States debts question is the most pressing which confronts the Australian people.

Sir JOHN FORREST.—But we cannot make the States anxious to transfer their debts.

Mr. ROBINSON.—The Treasurer must see that for the payment of interest upon their debts the States more than absorb all the revenue which they are likely to receive through the Customs. Consequently, they must rely upon the proceeds of direct taxation to pay interest upon future borrowings. That in itself will prove a very excellent check upon extravagant schemes for borrowing, either in Great Britain or elsewhere. In Great Britain, statesmanlike efforts are being made to extinguish the national indebtedness by the establishment of a sinking fund. The late Chancellor of the Exchequer, Mr. Ritchie, at the conclusion of the Boer War, provided that £27,000,000 per annum should be devoted to the redemption of the national debt. In the first year, £6,600,000 of that amount was expended in reducing the principal and the balance was devoted to paying the interest. Year after year a bigger proportion of that £27,000,000 will be applied in redemption of the capital, and, consequently, a diminishing proportion will be required to pay interest. Mr. Ritchie calculates that if Great Britain has the good fortune to avoid being involved in war during the next fifty years, the whole of her indebtedness will be extinguished. At our present rate of progress in Australia we shall be doing very good work if we wipe out our national indebtedness in about a thousand years.

Mr. POYNTON.—The honorable and learned member is assuming that our population will not increase.

Mr. ROBINSON.—I would point out to the honorable member that in other countries population grows very much more rapidly than it does here.

Mr. POYNTON.—Can the honorable and learned member name any country in which there is a greater growth?

Mr. ROBINSON.—There is a much quicker growth in Canada and the

United States. These facts are of sufficient importance to impress upon the Government the necessity of adopting a firm policy as regards taking over the States debts. Those debts ought to be taken over, and we ought to provide a sinking fund in connexion with their redemption, and to limit future borrowings as much as possible. In America the people of the States have deliberately set checks upon the power of Parliament to borrow money. I find, in connexion with one loan floated in Western Australia, a sinking fund of 3 per cent. was established. I scarcely think that our present Treasurer could have been responsible for that.

Sir JOHN FORREST.—I am absolutely responsible for it. There was a sinking fund of 1 per cent. attached to all our loans.

Mr. ROBINSON.—I congratulate the right honorable gentleman. If he will adopt the same course now, he will confer a lasting benefit upon the people of Australia. The sinking fund to which I refer is in the hands of trustees, who are outside of political control, and consequently it is of a far more satisfactory character than is the sinking fund of any other State. If the right honorable the Treasurer is responsible for the creation of that fund, he has something of which he may be proud. I wish now to say a word or two upon what has been called the detraction question. A good deal has been said about the detraction of Australia, especially in regard to the representations which have been made concerning the Immigration Restriction Act. I hold in my hand a copy of the debates which took place upon that measure in September and October, 1901. Judging by the speech which was delivered at that time by the honorable and learned member for Northern Melbourne, and the interjections of the honorable member for Bland, I conclude that the object of what is known as the contract labour provisions was of a two-fold character. The first object was to prevent men being imported into Australia during a strike, and the second was to prevent them being brought here under a misapprehension as to the wages conditions which obtained—upon the understanding that the wage was nominally small, whereas, in reality, it might be considerable. The object, in other words, was to prevent capitalists interfering in industrial strife, and to prevent men from being misled regarding the wages which were

payable. With these objects—which are entirely worthy ones—I am thoroughly in accord. I cannot say, however, that the method of administration which is being adopted at present is a satisfactory way of dealing with the question. To some extent both these objects have been met by the passing of the Conciliation and Arbitration Act. In Victoria the provisions of Wages Boards apply to over forty industries, while in New South Wales there is a Conciliation and Arbitration Act applying to every industry. I am informed that the present Government of Queensland have a Conciliation and Arbitration Bill on the stocks, and I think I may safely say that there is a reasonable prospect of any misapprehension as to wages in the bulk of the industries of the country being settled by some tribunal. It would, however, seem to be necessary to secure the second of the objects to which I have referred by giving any man who is brought here under contract the right to sue, as soon as he lands, for the prevailing rate of wages in the trade in which he is engaged. Other action has been taken under this Act that must lead to a considerable degree of adverse comment in Great Britain and elsewhere. Take the case of the English groom, to which reference has been made to-day. So far as I understand the answers given by the Prime Minister to my questions—and I must confess that those answers were somewhat vague—exemption certificates are not usually issued in the case of Britishers, but are intended to be used in the case of foreigners who might be excluded from failing to pass the education test, or something of the sort. But we know that in the case immediately under notice a gentleman proposing to bring out certain horses from Suffolk required a groom to attend them on the voyage, and to accompany them to a station in New South Wales. The groom obtained an exemption certificate, but it is stated that the Agent-General acted wrongly in issuing that certificate. When I asked the Prime Minister to-day what was the policy to be adopted in regard to white labour coming to Australia under contract, he said that the contract should be sent to the Department of External Affairs. The issuing of exemption certificates may be a stupid policy, but it is far more expeditious than is that which the Prime Minister now suggests. If a man, requiring the services of an expert groom to travel with horses from a

county in England to New South Wales, had to wait until the contract could be sent out to the Department of External Affairs, and returned to him, the groom's chances of landing in the Commonwealth would be very remote indeed.

Mr. KENNEDY.—Scores of men bringing horses to Australia are allowed to land here without any trouble.

Mr. ROBINSON.—But are they under contract?

Mr. KENNEDY.—They receive wages throughout the whole period of service.

Mr. ROBINSON.—If they are under contract, the employer commits a breach of the Act in landing them here.

Mr. KENNEDY.—No.

Mr. ROBINSON.—It is all very well for the honorable member to deny my statement, but the Act cannot be misread. It provides that no man engaged under contract to do manual labour shall be allowed to land in the Commonwealth, except certain conditions are complied with. When I asked the Prime Minister to-day what were those conditions, he said that the contract must be transmitted to the Department of External Affairs.

Mr. DAVID THOMSON.—The contract might be a verbal one.

Mr. ROBINSON.—In that event the provisions of the Act might be easily evaded. Let us take the case of several Britishers engaged in England to do other than skilled labour in Australia, and who have taken the precaution to obtain a written contract. What are they to do? The Prime Minister says that they must first send their contracts to the Department of External Affairs. If the Agent-General has been blamed for issuing exemption certificates in such cases, he certainly has been wrongly condemned. The issue of exemption certificates enables an intending immigrant to at once ascertain if he will be allowed to land on reaching Australia. I think there also is a means of preserving the Act as it stands, and yet overcoming the difficulty in this respect. The object of the measure is to prevent men signing a contract to work in Australia while they are under a misapprehension as to the wages and conditions of labour prevailing here, and also to render it impossible for men to be brought here to defeat a strike. The statisticians of New South Wales and Victoria issue handbooks in which they state

the average rate of wages in every calling and trade in the Commonwealth. If honorable members turn to *Coghlan* they will find that he runs over the whole gamut of industry, and gives the average rate of wages in each State. The handbook as issued by the Victorian statistician furnishes the same information. These books ought to be in the possession of the High Commissioner, or our representative in England for the time being. It should be possible for any one who wishes to bring men to Australia, under contract for manual labour, to go to the representative of the Commonwealth in England who, on referring to these works, could at once determine whether the wages specified in the contract agreed with those ruling in the States. If they did, the necessary permit to land should be at once forthcoming. If that course were followed, I think that even the Labour Party, who hold very strong opinions on this question, could take no exception to it; but if we insist that in the case of men coming under contract to Australia, the contract shall, first of all, be scrutinized by the Department of External Affairs, we must of necessity achieve a reputation for wishing to keep white men out of the Commonwealth. The greater part of three months would be occupied in sending a contract from England to Australia, and receiving an answer.

Mr. POYNTON.—Can an English lawyer practise on landing here?

Mr. ROBINSON.—He can. I am glad to say that a body of which I am the honorary secretary has passed resolutions, having the force of law, whereby any barrister or solicitor of England, Scotland, or Ireland can be admitted to the Victorian bar on paying the same fee as is required of Victorian barristers or solicitors seeking admittance to the English bar.

Mr. CHANTER.—That does not apply to all the States?

Mr. ROBINSON.—I cannot speak for all the States, but I believe that English barristers and solicitors are admitted to practise in New South Wales.

Mr. CONROY.—That is so.

Mr. ROBINSON.—And also in Queensland, and in one of the other States.

Mr. POYNTON.—If the honorable and learned member went to Western Australia he would find that the position was different.

Mr. ROBINSON.—I think the honorable member will ascertain on inquiry that the rule to which he refers has been modified.

Mr. SPENCE.—We shall have to import a number of British lawyers under contract.

Mr. ROBINSON.—I know that the honorable member is merely chaffing, but I should like him and his party to consider whether it would not be possible to so administer the Immigration Restriction Act that its objects might be achieved by the least objectionable means. With the objects they have in view I am in hearty sympathy; but I cannot for a moment defend some of the acts that have been done in pursuance of that legislation. The same effects can be secured by a great deal less trouble, a great deal less annoyance, and without creating any unpleasantness in any other part of the world. It can be secured without issuing exemption certificates or similar papers, which seem to brand the man as an undesirable immigrant from the start. I am glad that that matter has been referred to, because I think that the more certificates are issued the more likelihood there is of coming to a decision whereby we shall be able to keep out men who may be brought here for improper purposes, and at the same time enable desirable immigrants to be brought to Australia in as large numbers as possible. I hope that the Government will restrain the impetuosity of the Treasurer, and that his policy of distributing millions to every one but the persons who should receive them will be checked. I hope also that some method will be adopted whereby the debt question as it affects the whole of the States will be settled on a basis satisfactory not only to the Governments of the States, but to the people of the whole Commonwealth.

Mr. CONROY (Werriwa).—I regret that the Treasurer was not able to present a more satisfactory Budget to us, because it is manifest on an examination of it that the Commonwealth has come very near to the end of its tether, so far as funds are concerned. In the very near future only one or two courses will be open to us. Either we must stop introducing any fresh legislation whatever, or devise some system of direct taxation to raise the money that may be required. While I, for one, do not object to any method whereby part of the money shall be raised by direct taxation, I decline to assent to the principle that we should tax

merely for the purpose of taxing. My desire is that every penny piece that is taken out of the pockets of the people should, as far as possible, go into the Treasury. I am bound to say that that is not the case under our present system. We are raising something like £8,700,000 in Customs and Excise duties. I am not going to refer to the amount of taxation raised in some of the States by direct taxation, because I have no doubt whatever that the sum so raised does not exceed that which is spent in public works, in making roads, and thereby improving property. Therefore that comes rather under the head of such taxation as pertains to municipalities. If we were to follow the system of taxation that is observed in England at the present time—that is to say if we were to maintain a proportion between direct and indirect taxation—nothing like £8,700,000 would be raised through the Customs. But I regret to say that our method has been adopted with the consent of a great many of the party who if they really understood the meaning of the term labour, would be the very first to oppose it.

Mr. THOMAS.—It was done with the consent of the people, unfortunately.

Mr. CONROY.—The honorable member is aware that all the members of the first Conservative Government of the Commonwealth were anxious to impose heavy duties, and they were permitted to do so, owing to the fact that a large proportion of members of the Labour Party did not understand the principle of finance which was being adopted, and absolutely allowed heavy burdens to be placed on the backs of those whom they represent. Those burdens will remain there, unless a greater number of that party come to their senses than is likely to be the case. I object to any man bearing any more taxation than is his fair share. When I find a man like the Treasurer, under a system that we call protective, paying, perhaps, less towards the revenue than another man with a family of half-a-dozen children, who is earning only a couple of pounds a week, I say that that is an unjust system. In my opinion, the fight against that system ought to be our principal task in the future. We ought to go before the electors prepared to reverse it, and to insist that not one penny piece shall be taken from the people more than is absolutely required, and that that amount shall be raised under a system that is equitable to all.

Mr. THOMAS. — Would the honorable member advocate a Federal land tax?

Mr. CONROY. — There are only two forms of taxation—direct and indirect. In England 51 per cent. of the taxation is raised by indirect means, and 49 per cent. is direct taxation. I am afraid that that proportion would be unjust in Australia. The discontent would be so great that it would not be advisable to introduce such a system here. There must be some proportion between the two systems. It is necessary that taxation should be raised for the preservation of law and order, and to enable the work of government to be carried on. In so far as it is necessary, we should all pay our share.

Mr. THOMAS.—Under a land tax every one would pay his share.

Mr. CONROY. — Would the honorable member have only one form of taxation?

Mr. THOMAS.—I would, if I had my way.

Mr. CONROY.—I object to undue taxation on land-owners or people with large incomes, just as I object to it on the mass of the people. It is precisely because almost the whole of our revenue is now raised by one method of taxation that I object to it. If £8,700,000 is the amount that it is necessary for us to raise to carry on the government, and if we dealt with the matter as taxation is dealt with in England, we should raise about £4,800,000 by Customs duties, and about £4,000,000 by direct taxation. For that class of men who, when the Tariff was introduced, did not care what happened as long as they felt that the burden did not fall on their own shoulders, I have no sympathy whatever. Four years ago, when the present Ministry and their followers were saying what a wonderful Tariff it was, and how it was going to give employment here and there, honorable members on this side pointed out that that was exactly what it would not do, and that, on the contrary, it would prevent employment. I may refer to what I had to say on the subject myself, and I remember that I pointed out that the greatest defect of the Tariff, so far as consideration for the revenue of the various States was concerned, was that it was not so framed as to allow for the expansion or diminution for which a properly-framed Tariff would have allowed. It was not so framed as to afford a kind of mark by which we might be enabled to judge of the prosperity or want of prosperity of the

people of the various States. We have now absolute proof of that, and I regret to state that my remarks in that direction have been absolutely borne out. I think that, at the time, the present Treasurer rather agreed with me that the Tariff would not be an index of the progress of the people.

Mr. MAUGER.—It is an index of their want of progress at present.

Mr. CONROY.—At the present time we have a large amount of taxation fastened upon the community under the operation of the Tariff, and as a result true progress has been prevented. What is still more serious, there is a deficiency in the revenue, which a Tariff pressing just as heavily on the people, but framed in another direction, might have prevented. While imposing exactly the same burden on the people, we might have obtained a very much larger revenue by framing the Tariff in a different way.

Mr. HUME COOK.—And had a great deal more destruction of industries.

Mr. CONROY.—I do not know what the honorable member means. Does the honorable member call a business which cannot stand on its own legs an industry?

Mr. MAUGER.—Certainly.

Mr. CONROY.—Might I ask honorable members opposite to say what is their test? Is it 5, 10, 15, 80, or 100 per cent. of loss? Let us put it in the simplest way possible, to see whether the honorable member for Bourke is correct in his statement. He says now that if a man is doing work which is not in itself profitable he is still engaged in an industry.

Mr. HUME COOK.—I did not say that.

Mr. CONROY.—I asked the honorable member if, when a man's work was done, it cost more to produce than it was worth, he was engaged in an industry, and the honorable member replied, "Yes."

Mr. HUME COOK.—The honorable and learned member is re-stating the case in a different way.

Mr. CONROY.—I put it to honorable members opposite in this way: If a man does certain work, which costs him £1, and he gets 16s. for the result of his labour, is that an industry? I have only taken a difference of 4s. in the £1, which would be met by a 20 per cent. duty, whilst we know that the honorable member for Melbourne Ports over and over again called for a 30 per cent. duty.

Mr. HUME COOK.—And was sorry he could not get a higher duty.

Mr. CONROY.—That is quite true. The honorable member was sorry that he could not get a higher duty than 30 per cent. The honorable member contends that a man who produces 14s. worth of work should be able to make some one else pay £1 for it, and then he will be engaged in an industry. It is exactly the same thing to contend that a man in gaol who does 14s. worth of work, and whom it costs the State £1 to keep, is engaged in an industry. According to the honorable member for Melbourne Ports, the more people we have in gaol doing 14s. worth of work for which the State has to pay £1, the bigger the industry. I have put the matter in this way in order that the honorable member for Melbourne Ports may understand it, though I confess that I have no hope that the honorable member will understand it, because I remember that on one occasion he pointed out that if a farmer spent 15s. in putting in a crop, and did not get any harvest, he was 15s. better off than when he started. I remember that the honorable member also argued that if a man put in a crop at a cost of £1, and there was a return of 10s. from it, that made 30s.; that there was 30s. worth of work done, and consequently the farmer was 30s. better off than when he started.

Mr. MAUGER. — The honorable and learned member is dreaming.

Mr. CONROY.—Other honorable members believed that in such a case the farmer would have suffered a loss of 10s.

Mr. THOMAS.—What was the honorable member's argument about the glass bottle machine coming in free?

Mr. CONROY.—I believe that was one of those cases where it was contended that if there were a tax of 50 per cent., the man using it would have had to pay 50 per cent.

Mr. HUME COOK.—The honorable and learned member forgets that the money remains in the country.

Mr. CONROY.—I am aware that honorable members opposite used that argument over and over again, until I showed them that they would be just as well off if they did not draw their pay because the money would still remain in the country. It then became plain to their bright intelligences that, after all, that was not a very sound argument to use, and we did not hear very



much more of it. I may mention that when a duty was called for on sugar, honorable members opposite all said that the sugar industry was a magnificent industry. I believe that it is an industry, because it is a business that can stand on its own legs.

Mr. HUME COOK.—The right honorable member for East Sydney thought that, and kept the duty on.

Mr. CONROY.—Surely the honorable member is not going to say that the right honorable member for East Sydney had anything to do with the Tariff.

Mr. HUME COOK.—I am speaking of New South Wales, and the right honorable gentleman's efforts for the industry there.

Mr. CONROY.—The duty was cut down as much as possible in New South Wales, and but for the arrangements made for entering into the Federation it would have been cut down still further. I have never heard it alleged that every man who believes in free-trade necessarily believes in the total abolition of the Customs House any more than that every protectionist believes in the total prohibition of imports. If we use extreme language in the one case we must use it in the other; if we say that a free-trader means a man who would abolish the Customs House, then we must say that a protectionist is one who would prohibit all exportation, because if we prohibit importation, we have nothing to pay by way of exports. That, generally speaking, was my quarrel with honorable members on the Ministerial side in regard to the sugar industry. Some of us believe this to be a true industry—that for every £1 spent in production, something of value will be returned. If the case be otherwise, somebody has to pay the difference, and it can only be paid by citizens engaged in productive industries. If we have so-called industries that cannot stand on their own legs, the bigger those industries are the worse it is for the community as a whole. Fortunately, the sugar industry is one which can absolutely rely on itself; and yet what a miserable spectacle has been presented in this House in this connexion! It has already been shown that the consumption of sugar in Australia amounts to something like 185,000 tons per annum; and an import duty of £6 per ton has been imposed, evidently with the object of raising the price of the Australian product to that extent. I admit that there may be a difference in the price of,

say, 2s. 6d., in order to prevent outside competition; but the cost of carriage alone would have secured that end. Practically we have raised the aggregate price of sugar to the people of Australia by about £1,100,000.

Sir JOHN FORREST.—Was there not some duty imposed previously?

Mr. CONROY.—I am speaking about what might have been, had there been no Tariff. In Queensland, for instance, the duty was inoperative, and in Western Australia there was no duty.

Sir JOHN FORREST.—There was no duty in Western Australia for years.

Mr. CONROY.—In New South Wales, on the other hand, there was a duty of something like £3 per ton, and in Victoria a duty of £6. At any rate, it is clear that the effect of the Commonwealth duty will be to raise the cost of the sugar to the people as a whole by about £1,100,000. It was so clearly recognised that a large part of the duty ought to come back in the shape of revenue, that an excise duty was imposed which last year brought in, roughly, between £400,000 and £500,000. But even a certain amount of that return was lost, because we confused the matter by giving a bonus on sugar grown by white labour. No doubt we intended, as far as possible, to secure a White Australia; but, in passing, I must say that greater humbug, cant, and hypocrisy never were seen on the part of a Parliament than in this particular legislation. We have tried to persuade the whole of the people that this was wholly the legislation of the Commonwealth Parliament, whereas, in fact, all of the States had previously passed laws restricting the immigration of aliens. Almost the whole of the States had, by 1898, so effectually made laws in this regard that from 1896 to 1901 only 700 aliens per annum found their way into the Commonwealth. The Commonwealth, with all its boasted legislation, did not prevent the alien influx, though this Parliament took credit for so doing. The view I have indicated could only be placed before electors who are ignorant of the facts, and I am bound to say that some of the legislators seem to be equally ignorant that restrictive legislation was years ago passed by the States Parliaments.

Mr. McDONALD.—In less than two years 2,000 Japanese came into Queensland.

Mr. CONROY.—Between 1896 and 1901?

Mr. McDONALD.—I do not say that; but the honorable and learned member was speaking of a time prior to the Commonwealth legislation.

Mr. CONROY.—I think, as a matter of fact, that some 2,200 aliens came into Queensland, but of that number between 1,400 and 1,500 departed, and this brings the figures to what I stated in the first instance. When Queensland made a treaty with Japan, that State was much more alive to its duty than has been the Federal Parliament. I remember begging in this House that we should arrange for the exclusion of Japanese by a treaty with Japan; and we know the letters which passed between the representative of Japan and our own Government. When I asked that this matter should be arranged in the fashion of statesmen, the honorable member for Bland interjected that perhaps I was afraid of war, and thought that we in Australia could not defend ourselves. What would the honorable member for Bland say to-day, when Japan has shown what it can do in a struggle with one of the mightiest nations in the world?

Mr. McDONALD.—Japan has backed down at the last moment.

Mr. CONROY.—If Japan has done so, it is more from a love of mercy than from any other motive; and I wish other nations had arrived at the same stage of civilization. In other countries, the men at the head of affairs know that not their lives, but the lives of those under them, are being sacrificed in time of war; and the action of Japan is an example of sound consideration for those who fight the battle, and ought to be a lesson to European statesmen. The men at the head of affairs in Japan have taken part in the war, whereas in other countries the bulk of the statesmen manipulate affairs at such a distance that they could not be reached by the bullets of guns of the longest range. In my opinion it is not now even too late to try to arrange a treaty with Japan; and, whether we like it or not, we shall have to come to that step. We must learn to use the language of civilized nations when addressing the people of Japan, though, if we do use impertinent and boastful language, a great deal will be pardoned to us because of our ignorance, and our small size. But there are straining points after all, and to-day no one doubts that the very nation we chose to flaunt then could take possession

of the northern part of Australia, and we should be absolutely helpless to defend it.

Mr. HUME COOK.—What good would it be to them?

Mr. CONROY.—It would be of great use to them, because a portion of that country is as rich as any part of Australia. It is not so suitable for a white population as for a population more inured to a tropical climate than we are.

Mr. TUDOR. — Does the honorable and learned member say that Japan has a more tropical climate than Australia?

Mr. CONROY.—No; but I do say that the ethnological difference between the Japanese race and our own is so great that they seem to be better able to bear the conditions of a tropical climate than we are.

Mr. HUME COOK.—What purpose could they put the country to if they took it for a few weeks?

Mr. CONROY.—They could make use of the country. The honorable member does not suppose that it is a desert.

Mr. HUME COOK.—That pre-supposes the sweeping of the British Navy out of existence.

Sir JOHN FORREST. — Where would our navy be?

Mr. CONROY.—The Treasurer speaks of "our navy" after we clearly disregarded the very friendly warning from the British Government to arrange this business, as far as possible, by treaty. Was it not the height of stupidity and of ignorant arrogance to refuse to arrive at exactly the same result by treaty?

Mr. KENNEDY. — Is the honorable and learned member in order, sir, in speaking disrespectfully of an Act of Parliament which he is not proposing to repeal or alter?

The CHAIRMAN.—The honorable and learned member is not in order in reflecting upon any action of this Parliament, and I trust that he will withdraw the expression he used. I would also ask honorable members to allow the honorable and learned member to continue his speech in his own way, and not to try to draw him off the thread of his argument by continuous interruptions.

Mr. CONROY.—I withdraw the expression. I am sorry that the honorable member for Moira thinks he was guilty of that ignorant arrogance, or arrogant ignorance; but I was referring to the general tone of Parliament at that time.

Mr. KENNEDY.—I object to the reflection upon Parliament.

Mr. CONROY.—The honorable member was one of those who voted in that way.

Mr. KENNEDY.—That is why I object to the reflection upon Parliament.

Mr. CONROY.—The honorable member is not proud of his action, then. We absolutely declined to arrange a treaty. I suppose it is one of the few instances on record where a body of men who, when they could arrive at the same result in a courteous fashion, deliberately adopted the discourteous fashion.

Mr. McDONALD.—Did any other Colony in the British Empire except Queensland do it?

Mr. CONROY.—No; and the fact that it did is a very high tribute to the members of its Parliament. By a treaty, Japan was willing to bind itself not to allow one of its citizens to come here, except with our approval, and we declined to entertain the courteous offer.

Mr. McDONALD.—And the great bulk of them came into Queensland after the treaty was signed.

Mr. CONROY.—That is not correct.

Mr. McDONALD.—It is. In the Queensland Parliament, we had a number of rows over the matter.

Mr. CONROY.—I took care to check the figures, and I think the honorable member will find that he is mistaken. Now that the little business with Russia is settled, if the Japanese statesmen should think it worth their while—and, for our own sakes, it must be hoped that they will not—they could compel us to do now what we declined to do then. Surely the honorable member for Moira does not think that Great Britain would interfere in a matter like this? We declined to listen even to the very strong suggestions courteously made by the Secretary of State for Colonial Affairs.

Mr. POYNTON.—In framing the Immigration Restriction Act, we carried out the instructions of Mr. Chamberlain absolutely.

Mr. CONROY.—In one part of that measure we did. I certainly hoped that the Bill would not go through in that form. If a still more extraordinary clause had been inserted it would have had to be reserved for the Royal Assent by the Governor-General, and then we should have had a measure drawn without any hurry-scurry, and representing the common sense mandate of the community, which was that, as

far as possible, we were to preserve Australia for the people of our own race, but in doing so to come into conflict with other races as little as possible.

Sir JOHN FORREST.—Did not the honorable and learned member vote for total exclusion?

Mr. CONROY.—I have just given the reason why I did.

Sir JOHN FORREST.—The honorable and learned member did not give that reason at the time?

Mr. CONROY.—I did. It would be far better for us to retrace our steps. It is very much more easy to amend an error in our own time and way than to wait until compulsion is placed upon us. We are apt to talk here in a very extraordinary way, indeed. At one moment men rise and say, "What do we care for England? Away with it." If it makes a suggestion for the framing of a Navigation Bill, as it did, we will not listen to the advice. If it makes a suggestion for the framing of an Immigration Restriction Bill, as it did, we pay no attention. That is the way in which we treat suggestions from the statesmen of the old country. But the moment we are faced with trouble, by reason of our stupid folly, we turn round and say, "We are safeguarded in our folly by the Fleet of Great Britain." I do not care which way honorable members talk. If they say, "We will back up the British Fleet in everything they do," I can understand that policy, but I do not understand the policy of condemning Great Britain for everything it does, and then turning round to whine and say, "We must look to it to safeguard us in whatever we do." Unfortunately, that is the position at which we have arrived. A time, however, may come when the statesmen of England will get very tired of that kind of thing, and think that we richly deserve one or two of the snubs we are bound otherwise to get. Does any one suppose for a moment that Australia would have talked to Germany about the Jaluit Group in the strain it did, or treat the representations of the Japanese Consul, when they were made, as it did, had it not been for the fact that the power of England was behind us? We know that it could not have acted in that way, and as we are relying entirely on the protection of England, we should pay some heed to the representations made to us by the statesmen of that country. I should be very glad indeed, therefore, if

the Ministry would face the situation, and prepare to arrange the treaty which was required by the Japanese Government. At the present time we do not stand in a very good position, so far as they are concerned, and it might be well for us to do what is desired before it is forced upon us. Of course, it may be that the Japanese nation, with its 44,000,000 of people, hardly takes the trouble to care what a small and remote country like Australia is doing. I have dwelt at some length upon this subject, because our legislation in regard to it seems altogether wrong, and I think that we should be prepared to recognise our position, and to act accordingly. In dealing with the sugar bounty, I shall point out the serious injury which its payment inflicts upon five States of the Commonwealth. As the honorable and learned member for Wannon showed, the bounty system places a very heavy tax on our orchardists, and the honorable member for South Sydney, who is largely interested in jam-making, has informed us that the heavy tax on sugar seriously injures that industry.

Mr. MAUGER.—He is doing well.

Mr. CONROY.—That is not the question. We have to consider whether employment should be taken from thousands of people by the taxing of their raw material.

Mr. HUME COOK. — Employment has been taken from the boilermakers on the Yarra.

Mr. CONROY. — Does the honorable member therefore suggest that the farmers of the Commonwealth should not be considered? Let me give the Committee two instances of the serious injury done to industries by the imposition of a tax on their raw material. Mr. Chamberlain, in his intense desire to benefit the West Indian sugar-growers, and because the protectionist ideas which he has imbibed led him to think that it was not a good thing for England to get sugar cheaply by the operation of the French and German bounties, entered into negotiations which resulted in the stoppage of the importation of certain sugar, with the result that the price of sugar increased by £4 per ton. As a consequence, between 17,000 and 18,000 men connected with the confectionery trade, in which sugar is the raw material, lost their employment within twelve months, while the president of the Chamber of Manufacturers of Aerated Waters stated that that industry, in which 200,000 men were employed, had been almost totally ruined. Similar results, of course on a smaller

scale, have followed in Australia through the action of the Commonwealth Parliament in putting a tax on sugar, which is the raw material of so many of our industries. But, altogether apart from the loss thus occasioned, the Commonwealth has to pay largely from the public funds for the maintenance of the bounty system, the cost of which next year will be increased by £150,000. We are told that this arrangement was entered into to provide for a White Australia; but the Chinese Restriction Act was passed in New South Wales fifteen or twenty years before Federation, and almost all the States possessed similar legislation by 1898. There could be no more gross misuse of language than to pretend that there is any connexion between the sugar bounty and the maintenance of a White Australia. I will suppose, however, that what has been represented is absolutely the case. Men frequently tell us that the sugar lands are the richest in Australia, and we know as a matter of fact that the land used for sugar-growing produces a rental varying from £2 to £5 per annum. Will it be believed that the people of the Commonwealth who have to support themselves upon poorer tracts, are being required to contribute to keep in cultivation land so valuable that it is worth from £30 to £70 per acre? That, however, is what is absolutely being done. There is a confusion of language with regard to this question that renders it almost hopeless to argue about it. What we have to determine is whether these rich and valuable lands shall be kept in cultivation by means of a bounty, and I say, apart from any question as to the employment of white or black labour, that we cannot escape the conclusion that the owners of these rich lands have no right whatever to any assistance from us. I am sorry that this argument has to be repeated so frequently in order to force it into the minds of honorable members. I think, Mr. Chairman, that we should have a fuller House. [*Quorum formed.*] I regret that the utter demoralization of honorable members on the Ministerial benches should have necessitated my calling attention to the state of the House. I think that it is a monstrous thing that the Ministerial Party, which numbers forty-five, cannot keep sufficient members in the Chamber to maintain a quorum. The conditions under which the sugar industry is now being

carried on are proving a serious hindrance to many other industries not yet fully developed in which sugar forms one of the principal raw materials, and I trust that honorable members will soon come to a reasonable frame of mind, and remove the present intolerable burden which the people of the Commonwealth are being called upon to bear for the benefit of a few planters and capitalists. Another matter to which the Treasurer referred demands our attention. All our public works are being constructed entirely out of revenue. While that principle is in many cases a sound one, and it may be specially desirable to follow it to a certain extent, owing to the fact that loan moneys have in the past been unwisely expended, we shall, by pushing it to an extreme, commit as grave an error as if we continued to spend loan moneys too lavishly. It is proposed to spend £30,000 upon the construction of a special telephone line between Sydney and Melbourne, and it is anticipated that the revenue derived from that addition to our telephone equipment will return something like 10 per cent. upon the outlay. It seems to me to be ridiculous to charge the whole of that expenditure to one year, and I can conceive of a number of works that would probably prove equally remunerative, which could fairly be paid for out of loans. We are making rather too great a call upon the revenue of any one year when we propose to construct such costly works out of revenue. If we pursue this policy too far, we shall be unable to proceed for twenty or thirty years with the construction of many desirable works which should be immediately put in hand. If we were about to build a railway—for example, the line projected from Kalgoorlie to Port Augusta—it is clear that we could not wait till we were able to construct it out of revenue. It is equally clear that the cost of many of our public works ought not to be debited to the single year in which they are carried out. It ought to be spread over a series of years. It may be that, in constructing the few public works which we have undertaken, out of revenue, we have acted wisely. But if we are to proceed with some absolutely necessary works which are connected with the departments under our control, it is obvious that in the near future we shall have to borrow. Unless the amount involved were very small, it would be ridiculous to borrow it within the Commonwealth,

because by so doing we should merely produce a constriction in the money market which would re-act upon all the other producers in the community, and we certainly do not desire to achieve that result. During the course of his Budget speech the Treasurer made a most extraordinary statement. He declared that since the establishment of Federation New South Wales had gained nearly £6,000,000. What he should have said was that since the inauguration of the Commonwealth that State had been taxed to the extent of an additional £5,900,000. The right honorable gentleman also stated that Queensland had lost £2,000,000 during the same period. I admit that as the price of manufactures which, prior to Federation, Queensland was accustomed to obtain from New South Wales was enhanced by the operation of the Commonwealth Tariff, the people of the former State might very well be paying an extra amount of taxation without the money finding its way into the coffers of the Queensland Treasury.

Mr. DAVID THOMSON.—Since the advent of Federation the Parliament of Queensland has been obliged to impose additional taxation.

Mr. CONROY.—When the Tariff was under consideration I pointed out exactly what would take place. The fact that a junior member of this House was able to foresee the result of its operation is in itself a double condemnation of the stupidity of the first Commonwealth Ministry and of their supporters.

Mr. AUSTIN CHAPMAN.—The honorable and learned member is too harsh.

Mr. CONROY.—How would the Minister like me to express it? I cannot say that they erred wilfully. I believe that they erred in honest ignorance, and consequently I have to say that their action was the result of stupidity.

Mr. JOSEPH COOK.—There is no other name for it.

Mr. CONROY.—At that time I went so far as to stake my reputation—as one who had some knowledge of political economy—on my prediction that the Tariff would fail in the very directions in which it has failed. Coming to the question of the deportation of kanakas, it seems highly probable—in the light of a decision by Mr. Justice Anglin, of Canada—that all our legislation in that respect must absolutely fail. Upon the third reading of the Pacific Island

Labourers Bill, and again when one of the Supply Bills was under consideration, I asserted that, in my opinion, that legislation would be *ultra vires*. I pointed out that, though we might put the kanakas on board a ship, with the idea of deporting them, the moment the captain got outside our territorial waters he would be holding those men as prisoners. Moreover, there was no need to make any such provision in regard to the deportation of kanakas, because they are a decaying race. That fact is clearer now than it was then.

Mr. DAVID THOMSON.—Most of the kanakas desire to return to their islands, but cannot get back.

Mr. CONROY.—Those men were imported into Queensland upon the understanding that, at the expiration of a certain period, they would be returned to their homes. That arrangement it should be respected in the case of those who wish to return. My remarks were directed towards those whom we propose to deport, irrespective of whether or not they desire to remain amongst us. To insist on removing those who were brought here unwillingly—irrespective of whether they liked it or not—would be manifestly unjust. If a thing is not morally right it cannot be politically right. In the history of all nations we find that any departure from that great principle has always been followed by disaster to those who inaugurated it. In dealing with a matter of this importance the Treasurer ought to have afforded us some explanation of what was likely to take place. I should like his attention for a moment.

Mr. WATSON.—The honorable and learned member is filling in time very well.

Mr. CONROY.—Is not this a matter still requiring some consideration on our part?

Mr. WATSON.—I should hope so; but I do not know why we should waste time now in considering it when the Bill will be submitted to us.

Mr. CONROY.—I wish the honorable member would not suggest that it is a waste of time to study the work of the Parliament or to indulge in just criticism of our own legislation. It is evident that there is some justification for a want of confidence in our legislation on the part of other nations. It does not seem as if the common sense of the people of Australia were uppermost, so far as our legislation is concerned.

Mr. CARPENTER. — The honorable and learned member is again crying "stinking fish."

Mr. CONROY.—I am very sorry that the honorable member does not understand the difference between fair criticism and abuse.

Mr. CARPENTER. — The honorable and learned member is decrying his own country.

Mr. CONROY.—I do not know whether the honorable member is a native of this country, but the bulk of the members of the Labour Party are not. It is a matter of no consequence whether he is or not, but he has taken me to task for making statements regarding the country itself, when my criticism relates not to the country, but to the Legislature of the Commonwealth, and the want of knowledge which some of its members betray.

Mr. TUDOR.—The honorable and learned member need not worry about that; no one else will.

Mr. CONROY.—I agree with the honorable member that I should not worry. I have seen so many displays of a want of knowledge on the part of some honorable members that I ought to be satisfied that, unless I went around with the cane and recollected that, after all, many of them, so far as these matters are concerned, are as little boys at school, I could not hope to make any impression upon them. I am convinced from a knowledge of many of the honorable members of this House that it would be useless to explain the working of any legislation to them. If a severe schoolmaster who was in the habit of chastising boys for failing to comprehend a lesson after it had been explained three or four times to them, attended this House and saw how some honorable members were utterly unable to understand a matter that has been explained to them thirty or forty times, what punishment would he suggest?

Mr. WATSON.—If he had to listen to explanations of the kind to which we now have to submit, he would not think any other punishment necessary.

Mr. CONROY.—I do not ask the honorable member to listen to my explanation; I only hope that he will be able to grasp it. Whether the people of other countries are rightly or wrongly imbued with the idea that we are not legislating on sound lines—

Mr. KING O'MALLEY.—That is our business.

Mr. CONROY.—But we cannot act altogether in defiance of the opinions of the rest of the world. If we wish to keep our place in the social life of the nations we are bound to pay at least some attention to their opinions. Who would have thought when we passed the Immigration Restriction Bill that its provisions would be applied to shipwrecked sailors? Many of the difficulties that have arisen under this measure have been due to defective administration.

Mr. MAUGER.—What has that to do with the Budget?

Mr. CONROY.—It is a fit subject to be discussed at this stage.

Mr. MAUGER.—It is played out.

Mr. CONROY.—Unfortunately, it is not. While the memory of wrongs perpetrated under that Act remains, and opportunities offer to perpetrate other wrongs under it, no one can say that it is a subject with which we should not deal. I am referring particularly to the provision in the Immigration Restriction Act, under which certain aliens who were shipwrecked on our shores were not allowed to land.

Mr. WATSON.—That myth was exploded long ago. Surely the honorable and learned member is not going to revive it.

Mr. CONROY.—I feel confident that if the Labour Government had been in office the Act would not have been administered as if men would deliberately court shipwreck in order to be allowed to land in Australia.

Mr. WATSON.—That lie has been refuted a dozen times.

Mr. CONROY.—I regret to say that it has not. As a matter of fact, I saw a copy of a letter written by the Secretary of the Department of External Affairs to the company acting as agents for the vessel to which I refer, in which it was stated that they were to exercise a special jurisdiction, so to speak, over the shipwrecked sailors.

Mr. WATSON.—They were to be held responsible for their safekeeping, but subject to that condition they could land the sailors in Australia, and take them to any point they pleased.

Mr. CONROY.—The Act was administered in connexion with that case as if men would deliberately choose to run the risks of shipwreck in order to evade its provisions.

Mr. WATSON.—That statement is on a par with the general statement that has been made about the six potters.

Mr. JOSEPH COOK.—They do not like it.

Mr. WATSON.—We do not like to hear lies about the six potters.

Mr. CONROY.—Is not the honorable member for Bland aware that the company was asked to take care that these shipwrecked sailors were not allowed to remain in Australia. His silence gives consent. A more monstrous stretching of the law was never made. It was absolutely inhuman and disgraceful, and the work of the Administration in that respect was beneath contempt. I will go further, and say that when the Administration interfered under that very Act in order that half-a-dozen hatters should be blocked from landing for a time, it is no wonder that, considering that practically the same Administration holds office to-day, we should feel compelled to refer to the matter.

Sir JOHN FORREST.—The honorable and learned member is one of those who decry the country. He is one of the party that I referred to in my Budget speech.

Mr. CONROY.—I am stating what was absolutely done. I should like to know why some of the very men who persist in retaining this legislation on the Commonwealth statute-book—

Sir JOHN FORREST.—Why did not the honorable and learned member try to get it repealed when his party was in office?

Mr. CONROY.—I was not in power; and if my voice had been of any influence, I should have urged that this was one of the matters upon which it was absolutely necessary to legislate. I would sooner have gone down on this question than on anything else. I do not understand this warmth on the part of the members of the caucus party as to the effects of their own legislation. Why do they not get up to speak upon the Budget? Here is a great matter affecting the policy of the country, and they are so full of their own sense of want of knowledge that we have not heard a single word of criticism from them about it. They might be the most ignorant men alive, judging from the attitude they have taken up—

Mr. WILKS.—There is no "might" about it.

The CHAIRMAN.—Order! The honorable member must withdraw that.

Mr. WILKS.—Withdraw what?

The CHAIRMAN.—The honorable and learned member for Werriwa said that certain members of this House "might" be the most ignorant men in the world, and the honorable member for Dalley said there is no "might" about it. He must withdraw that remark.

Mr. WILKS.—I want to know why the word "might" is considered disorderly?

The CHAIRMAN.—I ask the honorable member to withdraw the remark.

Mr. WILKS.—I will not. I have said nothing that is disorderly. I cannot see that the word "might" is unparliamentary.

The CHAIRMAN.—I point out to the honorable member that in the Standing Orders at page 11 it is provided that order in debate shall be maintained; and it is also provided that when an honorable member is asked by Mr. Speaker or by the Chairman to withdraw any statement, he shall do so. I consider that the honorable member for Dalley made a statement regarding honorable members of this House which reflects upon them, and I ask him to be good enough to withdraw it.

Mr. WILKS.—I did not say anything about the members of this House. I simply used the word "might."

The CHAIRMAN.—The word, in the connexion in which the honorable member used it, was, in my opinion, a reflection upon honorable members; and I ask him, as an old member of this House, with experience in a State Parliament, to obey the ruling of the Chair.

Mr. WILKS.—Since you, sir, have made such an appeal to me, I withdraw the remark, but I think we are becoming most supersensitive.

Mr. JOSEPH COOK.—I rise to order. Do I understand that you rule—

The CHAIRMAN.—The honorable member must not discuss my ruling.

Mr. JOSEPH COOK.—Most certainly I can.

The CHAIRMAN.—The honorable and learned member for Werriwa will proceed.

Mr. JOSEPH COOK.—May I not dissent from a ruling? It is monstrous.

Mr. CONROY.—Judging from the silence of the members of the caucus party, they might be absolutely ignorant—

Mr. WILKS.—Is the honorable member in order in using the word "might"? I have been placed in the ignominious position of being ruled out of order. Is the honorable member in order in using a word

which you have ruled to be unparliamentary? I want to have a fair deal in this matter.

The CHAIRMAN.—In the connexion in which the honorable and learned member for Werriwa used the word, it is perfectly in order.

Mr. CONROY.—The members of the caucus party could, I say, be regarded as absolutely ignorant of all questions relating even to simple arithmetic, such as that two and two make four, judging from their silence. Perhaps the mass of the figures, which run in millions, perplexes them.

Mr. WATSON.—No; what about the speech of the honorable member for Darwin?

Mr. CONROY.—Of course, now that the honorable member for Darwin has been recognised as the financial authority of the caucus party—

Mr. WATSON.—One at a time; we cannot produce all our authorities at once.

Mr. CONROY.—I confess that I listened with interest to the eloquent and touching part of his speech, when the honorable member referred to the meagre allowance made to him as a member of Parliament; but I did not altogether follow him in his financial statement. There was a part of it of which I thoroughly approve, and should like to try the experiment for myself. I refer to the passage in which he pointed out that borrowing money at 3 per cent., and lending it out at 7 per cent., would be a source of income. But he failed to point out, first, how we are to secure £6,000,000 at 3 per cent., and, secondly, how we are to lend out the money at 7 per cent. Probably it was my own fault that I failed to understand how the operation could be accomplished; and while I give up any idea of putting the honorable member's proposal into operation so far as millions are concerned. I should be very glad to avail myself of it in thousands, or even in hundreds, of pounds, if the honorable member were willing to advance the cash. All that it is necessary to do, it appears, in order to become rich, is to be furnished with a printing press and a bundle of old rags made up into good paper—

Mr. WATSON.—That is nearly as good as the borrowing policy of the free-trade party in New South Wales.

Mr. CONROY.—Does the honorable member say that a policy of waste is a good thing for a country?



Mr. WATSON.—Does the honorable member say that the borrowing policy was not a policy of waste?

Mr. CONROY.—I wish I could say that I think the waste has been confined to one party, but it has been common to all parties. In the past, we have found those parties more inclined to economy who were on the side of free-trade, partly, I am afraid, from the simple fact that they were not able to obtain revenue to throw away.

Mr. KING O'MALLEY.—Does the honorable and learned member think that an Australian building in London would be a waste of money?

Mr. CONROY.—I presume that when a High Commissioner is appointed for the Commonwealth we shall have to find offices, and perhaps a residence for him. I see no provision in the Estimates for any such expenditure. I shall, however, wait to debate that matter until the Bill for the appointment of the High Commissioner is before us. There are two other Bills before us to which I may refer. The first is the Manufactures Encouragement Bill, and when I see that the Treasurer has made no provision whatever for the payment of bonuses under that Bill, it is clear that the right honorable gentleman does not expect that its provisions will be immediately brought into operation. I believe that in that view the Treasurer is perfectly correct.

Sir JOHN FORREST.—When you have a statutory provision, you do not require to repeat it on the Estimates.

Mr. CONROY.—But any expenditure under that measure must be provided for on the Estimates. If we are to accept Coghlan's figures, as soon as we begin to pay interest on the transferred properties, the whole of the revenue at the command of the Commonwealth Government will be absolutely swallowed up, and there will be none left for any of these administrative purposes. I have no hesitation in informing the people of Australia, so far as I can, that it is manifest that direct taxation will have to be resorted to unless a spirit of economy is allowed to influence Commonwealth expenditure. I admit that some of the expenditure which must be met by the Commonwealth arises from the natural growth of population, and to that extent it has been quite unavoidable. But there are directions in which economy might be practised. It is so perfectly clear to me that our expenditure has already exceeded the

revenue which we can properly claim, that when the Manufactures Encouragement Bill comes before us again I shall feel bound to move that none of the bonuses provided for under that measure shall be paid until the requisite sum has been raised by direct taxation. Then, with regard to the Commerce Bill, we are embarking on a rather dangerous course of legislation in that connexion. I point out that the cost of administration of that measure will be considerable, if it is to be administered in the way which has been suggested. When good wheat is worth 3s. 6d. per bushel, I cannot see why we should prevent persons from exporting inferior wheat if they can get 2s. per bushel for it elsewhere.

Mr. WATSON.—Has any one proposed to prevent them?

Mr. CHANTER.—What objection can there be to branding it as inferior wheat?

Mr. CONROY.—It does not appear to me that there is any necessity to brand it at all. We have only to let it go. I should have no objection to a refusal to put the Government brand on it.

The CHAIRMAN.—Order. The honorable and learned member must not discuss the details of that Bill.

Mr. CONROY.—I point out that as we are at present advised the cost of the administration of that measure would be so great that the Treasurer is bound to show where the money necessary for the purpose is to come from.

Mr. WATSON.—I rise to a point of order. I wish to know whether it is in order to have a second reading debate on the Commerce Bill, the second reading of which has already been debated, or whether it is in order to refer in detail to any measures which have been before the House, and which are still under consideration?

The CHAIRMAN.—I called the honorable and learned member for Werriwa to order, and I understood that he was proposing to obey my direction. It is not in order for any honorable member to anticipate a debate set down for a particular day; nor is it in order for him to refer to the details of measures that are not before the Committee.

Mr. CONROY.—I thoroughly understand the ruling, and considering that my references to these measures did not occupy more than about a minute, the honorable member for Bland would appear to be extremely sensitive on the subject. I always

understood that the reason the caucus party would not accept any portfolio this time was because they were conscious that they had failed so lamentably, that they did not intend to expose themselves to the ridicule of the public on a second occasion.

The CHAIRMAN.—The honorable and learned member is not in order.

Mr. CONROY.—I think I am entitled to discuss such questions in dealing with the Budget statement. After all, if Ministers can expect little consideration for their statements or their works, from honorable members on this side of the House, they have, at least, the gratitude and support of honorable members in the caucus corner. The Ministry have undertaken work which the twenty-eight members of the Labour Party find themselves unable to do, although the supporters of the Ministry number only eighteen honorable members. A more miserable confession of incompetence was never made by any political party in the world. Although some of the Labour Party have had previous experience in office, they confess that they cannot find amongst themselves men capable of drafting, or even understanding, a single measure to submit to the House.

Mr. WATSON.—This is another sample of opposition argument!

Mr. CONROY.—Will the honorable member for Bland explain how it was that his party of twenty-eight honorable members gave way to a party of eighteen?

Mr. WATSON.—It is no use making an explanation to a member of the density of the honorable and learned member for Werriwa.

Mr. CONROY.—Why should the Labour Party have stepped aside, except on the ground that they are incompetent? Although the measures that have been introduced have involved much litigation in the past, and will, probably, involve much litigation in the future, there is no provision made in the Estimates for the appointment of additional Judges. I was distinctly opposed to the Judiciary Bill, for the reason that in my opinion the law courts, as they then existed, were able to cope with all the business. But Parliament thought otherwise, and, that being so, I was prepared to agree to the appointment of five Judges, because I was firmly convinced that three would prove insufficient. As a matter of fact, when we were considering

the clauses giving the High Court original jurisdiction, clauses against which I voted, because of the extra Judges bound to be required, I expressed the opinion that there would be required at least seven Judges to start with; and now it is plain, from the number of cases set down in New South Wales and Victoria, that additional Judges are absolutely requisite if delays in appeals are not to be so great as to create the chaotic state of the American Court.

Mr. KING O'MALLEY.—Does the honorable and learned member not think that the High Court has justified its existence?

Mr. CONROY.—I am not discussing that question. What we have to consider is whether there are sufficient Judges, and I unhesitatingly say there are not. It is far better that a Judge should be idle than that a suitor should be delayed in justice for even a single day. The Ministry will have to take this matter seriously into consideration, because, in my opinion, it is one which calls for legislation, even this session. If the number of Judges was increased immediately, some time must elapse before the enlarged bench could get to work. We ought to appoint at least two additional Judges, though I am doubtful whether that would prove enough. As a rule, it is not popular to insist on the appointment of Judges. People have regard to the salaries which have to be paid, but not to the fact that if the salaries are not paid, the best men cannot be obtained for the position. At the present moment delay is taking place in the hearing of appeals, and the Government, in declining or omitting to provide additional Judges, are not placing the High Court in the position it ought to occupy. We have to bear the consequences of our legislation, and if we do not appoint additional Judges to interpret the law, and bring it, as it were, up-to-date, a still more serious state of affairs will arise. It ought to be the duty of every Parliament to see that there is a sufficient number of Judges, whether in the major or minor courts, to insure that there shall be no delay, which, as every one with a knowledge of the law is aware, is the chief cause of expense. Another matter with which we are called upon to deal is that of preferential trade. Free-traders throughout Australia could not but welcome an extension of trade with the mother country if it means a removal of the duty. Such an extension would mean

the market in that part of the Empire, if nothing more; and when the Prime Minister says at one moment that he is in favour of preferential trade, and the next moment declares for fiscal peace, a situation is created that would puzzle the proverbial Dutchman. I do not understand his statements at all. If peace means anything, it means rest from conflict; and when the honorable and learned member spoke of fiscal peace he certainly meant a rest from fiscal disturbance. But that could not be the case if we were to have preferential trade. I have never understood that a law was requisite to induce any man to indulge in preferential trade, when the preference was on his side. Nor is it necessary even now. It is the veriest humbug to pretend that a law is required to give effect to preferential trade when the preference is in our favour. Trade is only carried on now when it is in favour of the trader. If preference means anything, I suppose it means giving an advantage to one over another. We shall always take the advantage when it is on our side. Our efforts are invariably devoted towards seeing how we can get the preference in trade. If Mr. Chamberlain, who I believe is largely interested in a screw combine, would sell his screws to me 5 per cent. more cheaply than to a foreigner on the Continent, he would give me a practical proof of his belief in preferential trade, of which I should only too gladly avail myself. It is true that at the next moment I might sell the goods to the foreigner, if he was willing to buy them. But what have we in Australia to offer in return? If, of course, we could get as an exclusive market for our goods the 40,000,000 persons in Great Britain, no doubt every one of us would welcome it. One does not need to be a free-trader or a protectionist to see the big advantage it would give us. But does any one honestly think that there would be such a general dementia amongst the people of England that they would be willing, in order to get 5 per cent. of their trade, to give up 90 per cent.?

Mr. WILKS. — In England the genuine Labour Party are against preferential trade.

Mr. CONROY.—Mr. Chamberlain's first attempts at regulating trade have proved so disastrous that, as I explained earlier in the evening, they drove between 17,000 and 18,000 out of employment in one trade, and nearly ruined the whole employment in another trade affecting 200,000 employes.

I can quite conceive that, under these circumstances, men who have had any knowledge of his efforts in the past are not likely to attach much credence to his opinions in the future. If the Prime Minister really believes in this doctrine, he need not go to England to indulge in it, because, as a farmer, I shall always be ready to exchange dry cows for milch cows, or lean porkers for fat porkers. I do not mind carrying on that system of preferential trade as long and as often as he is willing to indulge me.

Mr. JOSEPH COOK.—Let the Treasurer show by his figures that the trade is following the flag.

Mr. CONROY.—We are all aware that, to a very large extent, trade does follow the flag, without any forcing. It is quite a natural growth, because men will rather trade with those with whom they have been accustomed to trade, and in whom they have confidence, than with men who are further away. So far from foreign trade being less beneficial to a country than other trade, it is sometimes the most profitable of all. If it were not for the extra profit to be derived therefrom men would not indulge in the foreign trade.

Mr. WILKS.—What does the honorable and learned member think about the contribution to the Navy?

Mr. CONROY.—I do not like to dwell very much on the question of defence. I view with a considerable amount of dismay the very great tendency there is to increase our military vote. In view of some of our actions, and the great unwisdom, and certainly the great arrogance, with which we try to dictate to other nations what is to be done, millions would not be too much to be spent on defence. But the question, so far as the great mass of the people is concerned, is, Would it not be far better to give up talking in an arrogant, unstatesman-like way, and try to follow the paths which lead to peace? Then there would be no need for us to attempt to make the military display we seem bent upon doing. We must remember that the Commonwealth is asked to contribute £1,021,000 this year. If we do not mind, we shall be paying too high a price for our insurance. The tax which the people are to be called upon to pay is far too high, and there is always a tendency on the part of military men to stretch the expenditure. I happen to be one of those who have never had a very great regard for the military spirit in men.

Mr. WEBSTER.—And yet the honorable and learned member is said to possess the martial spirit.

Mr. CONROY.—I have always thought that it is a very inferior spirit. In the military service we sometimes meet with some very good men, but as a rule we cannot expect the best men to take to that life, because it does not lead to anything. Their greatest hope is to die gloriously. When a man has that particular bent of mind that he hopes to die gloriously, he cannot be expected to pay that attention to mundane affairs which he ought to do. Therefore, we cannot expect our best brained men to take to a military life. When so many other avenues of employment are open, it would be ridiculous to expect men to do so; and even if they were very brainy men, and possessed the martial spirit to a certain extent, they would recognise that it could not lead to anything. Because, so far as Australia is concerned, there is little or no hope of advancement. Therefore, as a rule, the advice we get from military men is not likely to be very sound. All the improvements which have been made in munition and armament have almost, without exception, been due to civilians, and not to soldiers. If I wished to make an indictment against military men as a rule, I could not make a stronger one than that, because to my mind it absolutely disposes of all belief in their ideas. We cannot expect from men who have not been able to introduce any of the great improvements which have been made in munitions or armament any really sound advice on matters like this. They, no doubt, possess a blind, dogged resoluteness which covers a multitude of sins; but I hold that the man whose only virtue is that he is willing to let himself be shot down is not the best citizen, and that those who wish to see the military system perpetuated are not the best advisers for the country. We should be very careful before accepting counsel from them. I would remind the Committee that much of the money spent on defence is, after all, merely money thrown away, and if the annual expenditure in this direction is to be very large our taxation will be so seriously increased that the poverty which it will create will cause the death of more persons than would be killed by half-a-dozen years of protracted warfare. It is true that they would not be killed outright, and their deaths would therefore

not excite so much sympathy as is occasioned by deaths on the field of battle, but the sum total of misery would be greater. We should consider this question from the point of view of the masses, who have to pay the taxes which we impose. £1,000,000 a year would furnish employment for 10,000 men at £100 each, and if the money was spent in inducing population to settle here, or in ways that would give us a fuller measure of prosperity, the community would soon be in a better position to resist aggression than it will be in by the adoption of the proposed system of defence. I admit that provision must be made for rifle corps, and it is perfectly clear that artillerymen and engineers cannot be trained in a single day, while untrained men cannot be expected to do what trained men can do. But as the honorable member for Wentworth has pointed out, is it not clear that our first line of defence is the Navy of Great Britain? While it remains intact it is impossible for our land defences to be called on. Probably £200,000 or £300,000 could be saved in our defence expenditure. We should not embark on an extravagant outlay, which will result in the fostering of a spirit of militarism which cannot benefit the community. A few hundred men armed with rifles could prevent the landing of any naval force, and, if experience has proved anything, it is that troops cannot be landed except at a safe place. Half-a-dozen torpedoes would prevent vessels from entering Sydney Harbor. It is true that the city might be damaged by shell fire, but the damage so done would not be equal to the loss occasioned to the community by excessive taxation, because by taxing production we hamper industry. The Commonwealth has increased the amount raised from Customs and Excise duties from £7,000,000 to £9,000,000, and still more is paid by the people than goes into the Treasury. Is it any wonder, then, that our progress has not been what might have been expected? However, good seasons are apparently setting in again, and if they come Australia will go ahead, despite the hindrances to industry imposed by her Legislatures.

Mr. CULPIN (Brisbane).—I should like to refer to the remarks which have been made by certain speakers which seem to propose the establishing of a new industry. We have heard nothing to justify the assertion that borrowing is to be a new industry, though the honorable and learned member

for Corinella seemed to favour borrowing, in order to put our defences on a proper and efficient footing. But whilst there has been no general statement in favour of borrowing, the desirability of that course has been suggested, and we may infer that loans will be raised when we come to deal a little more directly with the States debt question. The Queensland Government have devised means by which they can obtain money without any expense to the taxpayers, and make use of it in much the same manner as if it were actually borrowed. In connexion with the Treasury, they have a Department in which a large amount of money has accumulated, and they have recently devoted £400,000 of these funds to the purchase of their own debentures.

Mr. DEAKIN.—Is that in connexion with the Treasury note issue?

Mr. CULPIN.—Yes. The Queensland Government have £800,000 which has for some time been lying idle, but they are now making use of it from time to time. If the Treasurer of the Commonwealth could devise some similar scheme, we should not require to consider the question of borrowing money in the London market. The honorable member for Dalley interjected whilst I was speaking upon a subject allied to the topic I am now discussing, "More shin plasters." The honorable member had been "stone-walling" for some time prior to the period at which he made his interjection, and, as his condition must have been very painful, probably the application of a few shin plasters would have done him good. The Queensland Government are to be congratulated upon having carried out the scheme to which I have referred, and I should be glad to see the Commonwealth adopt some similar means of raising the money necessary to meet our immediate requirements.

Mr. CROUCH.—Does not that amount to borrowing money?

Mr. CULPIN.—No. If people come to you, and offer you money in exchange for a piece of paper, it is only reasonable that you should accept it. That is the course pursued in Queensland. I hope the Treasurer will give the matter his most serious consideration. I thoroughly approve of the proposal to extend the sugar bonus for a further period of five years. The statement made by the Treasurer upon that subject was one of the most gratifying that could greet the ears of the representatives of Queensland. I

believe, if the bonus is continued, the sugar industry will become more prosperous than ever, and that the production will increase to proportions hitherto unknown. I shall strongly oppose any proposal on the part of the Commonwealth to borrow money, and I believe that the members of the party to which I belong will view it with equal disfavour. I trust that the improvements in the Defence Department will be of such a nature that we shall obtain something good in the way of defence. At the same time, I hope that the necessary funds will be obtainable without resort to borrowing.

Progress reported.

## ADJOURNMENT.

### CONDUCT OF BUSINESS.

Motion (by Mr. DEAKIN) proposed—

That the House do now adjourn.

Mr. JOSEPH COOK (Parramatta).—I feel that I ought to offer my congratulations to the Government upon their new departure to-night. It is only a very small one, but it promises more as it grows, I presume. I hope that we shall benefit by the wealth of wisdom to which we have listened during the past few minutes.

Mr. WATSON. — During the past few hours.

Mr. JOSEPH COOK.—I venture to say that a series of speeches have been delivered from this side of the House to-night which will well repay anybody's perusal in *Hansard*.

HONORABLE MEMBERS.—Oh, oh.

Mr. JOSEPH COOK. — Honorable members may laugh, but I venture to think that it is a vacant laugh. At any rate, we had a deliverance upon defence questions to-night such as we have not listened to heretofore. For the first time we begin to understand what defence matters really mean. We have had a speech from the Treasurer, supplemented by no statement from any other Minister, and therefore we have heard no deliverance of policy concerning any of the supreme matters which are engaging the attention of Australia at the present moment. Who knows anything about defence matters from anything which the Government have made known to the Committee during the course of this debate? Who can say that we have learnt anything in reference to the transfer of the States debts from any statement which has been made by the Ministry during the Budget discussion? Upon the other

hand, speeches have been delivered from this side of the Chamber which merit a statement from the Government, both in regard to their defence policy and the question of taking over the States debts. Yet this silence is apparently what the country is to be treated to, because those speeches have been delivered. I admit that during the past few weeks it has become almost a crime in this House to speak at all. It seems to me that the way in which business is to be done now is by means of a Star Chamber. I think it is about time that we entered some protest against the manner in which business is being conducted in this House, and against the scandalous way in which honorable members are neglecting their duties.

Mr. CARPENTER.—Against the scandalous way in which the honorable member is behaving.

Mr. JOSEPH COOK.—It is time that we protested against the way in which members of the Labour Party are constantly absent from the House. No doubt they are doing their business away somewhere out of sight—issuing their instructions to the Government in much the same fashion as the Czar issues his ukase to the people throughout the length and breadth of his dominions. Parliamentary government seems to be on the decline absolutely. And we are now told that we are obstructing business, and “stone-walling.”

Mr. WEBSTER.—Hear, hear.

Mr. JOSEPH COOK.—That interjection comes very aptly from an honorable member who used to drivel here for five hours at a stretch.

Mr. WEBSTER. — I know nothing about the game of “stone-walling,” and I admit it.

Mr. JOSEPH COOK.—I venture to say that there has been nothing but legitimate debate during the whole of this evening. A set of informing speeches has been delivered, for which the House and the country will be the better. At any rate, they have been a valuable contribution to the solution of those great problems which are now causing deep anxiety throughout the length and breadth of Australia. I congratulate the Government upon having begun this penalizing process.

Mr. WATSON (Bland).—I must say that the indignation of the honorable member who has just resumed his seat is extremely amusing to most of us who have any memory of what has occurred in the

House during the past week or so. I say that since the House met, after the Ministry assumed office, we have had nothing but obstruction and stone-walling on the part of honorable members on the Opposition side of the Chamber.

Mr. JOSEPH COOK.—The honorable member might as well make that false statement as any other.

Mr. SPEAKER.—Order. I must ask the honorable member to withdraw that remark.

Mr. JOSEPH COOK.—I withdraw it, and I will say that the statement of the honorable member is absolutely inaccurate.

Mr. WATSON.—Does the honorable member seek to impose upon those who are here the impression that a number of the speeches delivered from the Opposition side of the House have been anything but in the nature of stone-walling tactics? Has there been the slightest appearance of earnestness on the part of the greater number of those who have spoken? Has there been anything but a deliberate attempt to stop the transaction of business, and to prevent this House and the Government from getting any credit for doing what we are here to do?

Mr. CONROY.—That statement is absolutely untrue.

Mr. SPEAKER.—Will the honorable and learned member withdraw that statement?

Mr. CONROY.—I suppose I must; but the honorable member for Bland should not make statements of that character.

Mr. JOSEPH COOK.—I rise to a point of order. Is the honorable member for Bland in order in charging members of the Opposition with deliberately obstructing the transaction of business?

Mr. SPEAKER.—If the honorable member holds the opinion attributed to him, I think he was perfectly in order in expressing it.

Mr. JOSEPH COOK.—Do I understand you to rule that an honorable member may charge other honorable members with deliberately obstructing the progress of business?

Mr. SPEAKER.—The honorable member for Parramatta must remember the speech which he has just delivered. He made certain remarks, to which any other honorable member is fully entitled to reply; and it seems to me that the only possible way in which one could reply to them was either by admitting the charges

which he made, or by contradicting them. The honorable member for Bland is contradicting them, in terms as parliamentary as he can possibly employ under the circumstances. He would not be in order in making the remark attributed to him, if it were not for the charges made by the honorable member for Parramatta.

Mr. JOSEPH COOK.—I do not think that you should reflect upon my remarks in that way.

Mr. SPEAKER.—I am not reflecting upon the honorable member's remarks. They were in order, otherwise I should have called his attention to the fact. But there are only two ways in which his speech can be replied to, namely, either by admitting the charges made, or by contradicting them. The honorable member for Bland has contradicted them.

Mr. WATSON.—Honorable members profess to be highly indignant at being charged with having adopted stone-walling tactics. I was not here last week, but I am free to stay away as I please when I do not wish to listen to the uninteresting drivel that proceeds from the Opposition.

Mr. JOSEPH COOK.—The honorable member is a good judge of drivel.

Mr. WATSON.—I profess to be able to judge that which comes from the honorable member.

Mr. WILKS.—The honorable member will not gain anything by bullying.

Mr. WATSON.—I shall not submit to bullying on the part of the honorable member.

Mr. WILKS.—We shall see about that.

Mr. WATSON.—The honorable member will find that I am not to be bullied by himself or the deputy leader of the Opposition.

Mr. JOSEPH COOK.—Why cannot the honorable member allow the Government to reply?

Mr. WATSON.—The honorable member saw fit to attack the party of which I am a member, and now his sense of fair play is such that he objects to my offering a reply?

Mr. JOSEPH COOK.—Why should the honorable member rush in?

Mr. WATSON.—Why did the honorable member drag me into the discussion? As the honorable member persisted in referring to the Labour Party, I surely had a right to reply. Apart altogether from the position of the Government, every honorable member has an interest in seeing the busi-

ness of the country conducted with sufficient expedition to insure the passing of at least some legislation.

Mr. JOSEPH COOK.—The honorable member has never shown anything of the kind.

Mr. WATSON.—As one of those who supported a State Government of which the honorable member for Parramatta was a member, I often remained in the Chamber till the small hours of the morning to assist in keeping a quorum to enable business to be transacted.

Mr. JOSEPH COOK.—Let us come back to the position of affairs last session.

Mr. WATSON.—The honorable member cannot point to any obstruction on my part. I have the statement of one whose word he must accept—the statement of the leader of the Opposition—that he never received fairer treatment from an Opposition than that which my party had afforded him while he was in office.

Mr. JOSEPH COOK.—I do not believe it.

Mr. WATSON.—I regret that the honorable member should be in such a frame of mind that he cannot believe—

Mr. JOSEPH COOK.—I simply mean to say that I think the honorable member is mistaken.

Mr. WATSON.—I repeat that the statement in question was made in the House by the right honorable member for East Sydney, and was repeated by him a few minutes later in another place. The honorable member may satisfy himself on that point at another time. The week before last there was distinct obstruction and stone-walling on the part of the Opposition.

Mr. KELLY.—By whom?

Mr. WATSON.—The honorable member for Wentworth was one who was guilty of these tactics.

Mr. KELLY.—I rise to a point of order. Is the honorable member in order, Mr. Speaker, in saying that I stone-walled any measure? I have given no cause for such a statement.

Mr. SPEAKER.—There can be no doubt at all that the use of strong language on either side does not conduce to the conduct of the debate on proper lines, but rather tends to embitter the feelings of honorable members. At the same time, I have ruled, and still rule, that the honorable member for Bland is not out of order in making these remarks.

Mr. KELLY.—It only means that it will be necessary for me to reply.

Mr. WATSON.—I repeat that the remarks made by several honorable members on Thursday week and Friday week were palpably with the object of filling in time. Several of the speeches to which we have just listened have been of a similar kind.

Mr. WILKS.—On the Budget?

Mr. WATSON.—No. I can take no special exception to the speeches to which we have listened to-day; but can any one say that the remarks of the honorable and learned member for Werriwa were made with an earnest desire to advance the discussion?

Mr. CONROY.—I should hope they were.

Mr. WATSON.—If that was their object they failed lamentably.

Mr. JOSEPH COOK.—That is a matter of opinion. It was a better speech than the honorable member could have made.

Mr. WATSON.—I have never pretended to be able to make a speech, so that I am not hurt by the honorable member's suggestion.

Mr. JOSEPH COOK.—But the honorable member thinks he is able to criticise one.

Mr. WATSON.—I have sufficient experience of parliamentary procedure to be able at least to recognise when an honorable member is addressing himself to the subject at issue, and when he is simply filling in time. The object of the Opposition has been palpable to every sensible man in the House.

Mr. LONSDALE.—When the Labour Party were in Opposition, was there nothing palpable?

Mr. WATSON.—On one or two occasions there was something in the nature of stone-walling.

Mr. LONSDALE.—There was far more stone-walling than has been indulged in by the present Opposition.

Mr. WILKS.—What about the five hours' speech made by the honorable member for Darling?

Mr. WATSON.—The honorable member for Darling and one or two others confess that they are mere infants in the art of stone-walling as compared with the honorable member for Dalley and others who glory in the assertion that they can talk for hours without really saying anything.

Mr. KELLY.—No one has ever made such long speeches as the honorable member for Darling and one or two others have done.

Mr. WATSON.—The air was full of complaints as to the time occupied by the honorable member for Darling and one or two others in making speeches of the kind

to which I have referred. The honorable member for Parramatta has alluded to the absence of the members of the Labour Party from the Chamber. It might have been as well for him, first of all, to account for the absence of the Opposition. Honorable members of the Opposition profess to have such an intense regard for the business of the country that it cannot be transacted in their absence, and yet, with the exception perhaps of three or four of their number, they are nearly always absent.

Mr. KELLY.—The honorable member has just been complaining that we are too much in evidence.

Mr. WATSON.—I say that we could probably do with the absence of a few more to the satisfaction of the country, but it is surely an extraordinary complaint on the part of those who are almost always absent that others are occasionally away from the Chamber. I do not regard myself as under any obligation to remain here and listen to speeches which are purely of an obstructive character. So far as the speech made by the honorable member for Corinella was concerned, I may say that I listened to a great portion of it with much pleasure. It was a speech addressed to the subject under discussion, and one to which no one could listen—even if one did not wholly agree with the conclusions expressed—without being extremely interested. I for one should be glad indeed to give every attention to any other speech of that character.

Mr. McWILLIAMS.—No stone-walling took place last week on the Manufactures Encouragement Bill.

Mr. WATSON.—I was not here last week, but, judging from what I have read in *Hansard*, I am inclined to believe that the tactics adopted on a prior occasion were not departed from in the slightest degree.

Mr. McWILLIAMS.—The honorable member should ask the Prime Minister.

Mr. WATSON.—Another statement is that the speeches made by the Opposition call for replies.

Mr. JOSEPH COOK.—I did not say that.

Mr. WATSON.—We are frequently told by the Opposition that there is a conspiracy of silence on the other side of the House. I have a fairly clear recollection of what occurred when last year's Estimates were under discussion, but I do not remember that the late Government replied to every statement of the Opposition. I do not remember even the honorable and



learned member for Corinella, who was then Minister of Defence, saying one word about the policy of the Government, nor can I recollect any member of the Government discussing any matter of policy which the Treasurer had put forward in his Budget statement. Now, the honorable member for Parramatta is consumed with anxiety to learn what is the Government policy on every imaginable subject. When the late Government was in office, however, he was as quiet as a dumb driven sheep.

Mr. JOSEPH COOK.—Does the honorable member forget the amendment on the Estimates which was submitted by the honorable and learned member for Indi, who was a member of the alliance?

Mr. WATSON.—That has nothing to do with the attitude of the honorable member. He is now complaining that he can obtain no indication of the Government policy, although twelve months ago he was quite satisfied that the Government of which he was a supporter should make no such communication to the House.

Mr. JOSEPH COOK.—The honorable member is making an incorrect statement.

Mr. WATSON.—I see no evidence of that. I should like the honorable member to show in what respect my statement is incorrect.

Mr. JOSEPH COOK.—I assert that nearly all the members of the late Government spoke when last year's Estimates were under consideration.

Mr. WATSON.—*Hansard* does not show that they did.

Mr. JOSEPH COOK.—It does. The honorable member is mistaken.

Mr. WILKS.—The honorable member for Bland is "belling the cat" for the Government.

Mr. WATSON.—The honorable member is experienced in matters of that kind.

Mr. WILKS.—Even if the honorable member is prepared to stand godfather to the Government, there is no reason why he should act as stepmother to the rest of the House.

Mr. WATSON.—I am concerned, not with the disorderly interjections of an honorable member who is noted for his facility in "stone-walling," but with those of the deputy leader of the Opposition, who has deliberately accused the Labour Party of neglect of duty in remaining away from the House. As far as possible, I shall be always prepared to assist in keeping a quorum.

Mr. JOSEPH COOK.—The point of my criticism is that the Labour Party remain out of the Chamber most of the day, and then come in and try to make us sit after the usual hour for adjourning.

Mr. WATSON.—It seems to me that if honorable members go beyond what is reasonable criticism and discussion, with a view of arriving at the best results, we should be prepared to take steps to arrive at a proper conclusion. I am prepared, for one, to do all that is practicable to that end; and I trust that a majority of honorable members will do the same, so that we may bring about such a result that at the end of the session we shall have something to show to the country as a consequence of our sitting so long.

Mr. CONROY (Werriwa).—I regret to hear the remarks of the honorable member for Bland. I have never heard him deliver such a statement as he has made to-night. I am sorry that his nervous system has broken down, and I impute it entirely to excessive train travelling. Let us test the statement he has made. This is the second night of the Budget debate, and although something like a dozen members of the Opposition have spoken, no reply has been made on the part of the Government. The honorable member spoke of my speech of two hours as being in the nature of "stone-walling." When I wish to "stone-wall," especially on a Budget, not two hours, but rather twenty, would be a fair allowance for me. I am very sorry that the honorable member for Bland should have departed from that usual good temper and affability that he displays, and should have made such strong accusations.

Mr. WILKS (Dalley).—I have never heard a man in parliamentary life play the scold as the honorable member for Bland has just done. What is the true position of affairs? During the last two nights ten members, belonging to the various parties, have spoken in Committee on the Budget statement. To-night the debate was commenced by the honorable member for Darwin, a strong supporter of the honorable member for Bland. He spoke for an hour and a half. Does the honorable member call that stone-walling? The honorable member for Darwin was followed by the honorable and learned member for Corinella, whose speech on defence no honorable member who heard it would characterize as a stone-wall. Was the honorable and learned member for Wannon stone-walling,

when dealing with the States debts question? Even the Prime Minister would not cavil at his speech. So that apparently the honorable member for Bland levels all his charges at the honorable member for Werriwa; but he was followed by the honorable member for Brisbane, who dealt again with a subject on which he has only recently made a long speech.

Mr. WATSON.—The honorable member for Brisbane spoke for only ten minutes.

Mr. WILKS.—Of course, the honorable member for Bland has nothing to say against one of his own supporters. Last night the first speaker was the honorable member for South Sydney, who occupied time mainly in dealing with the sugar bounty question, but was he stone-walling?

Mr. WATSON.—I have not said so.

Mr. WILKS.—Is the honorable and learned member for Angas, who followed him, ever guilty of obstructive tactics? He dealt seriously with some very important questions. I will say nothing of the speech of the honorable member for Lang, lest I offend the honorable member for Bland; but in making it the honorable member was only doing what he believed to be his duty to his constituents, and to the State which he represents. The next speaker was a Government supporter, the honorable and learned member for Northern Melbourne, and an ex-Minister of the Labour Government, who advocated the abolition of the Braddon provision. Was he stone-walling? Then followed the honorable member for Wentworth on defence. I can understand now who are inspiring the paragraphs which have appeared in the newspapers this week and last week.

Mr. KENNEDY.—May I direct attention to the need for a quorum?

A quorum not being present,

Mr. Speaker adjourned the House at 11:41 p.m.

## Senate.

*Thursday, 31 August, 1905.*

The PRESIDENT took the chair at 2.30 p.m., and read prayers.

### MAIL CONTRACT: ORIENT COMPANY.

Senator STEWART.—I wish to ask Senator Keating, without notice, when we

are likely to get a copy of the mail contract entered into between the Orient Steam Navigation Company and the Government of the Commonwealth?

Senator KEATING.—As soon as possible.

Senator STEWART.—I think it has been laid upon the table of the other House.

Senator KEATING.—The honorable senator will get a copy as soon as possible.

### LAND AT LARGS BAY.

Senator Sir JOSIAH SYMON.—Is Senator Keating in a position, to state to the Senate the particulars of the claims being litigated in the High Court as to compensation for land at Largs Bay?

Senator KEATING.—I have been furnished with the following particulars:—

Messrs. Hackett and Crawford's claim.—Land acquired by notification in *Gazette*, 9th January, 1904; area,  $3\frac{1}{2}$  acres; claim, £254 for value of land, and compensation under section 19 (1) (b) of the Property Acquisition Act, for damage caused to adjoining land by acquisition thereof for a fort; writ issued in May last, claiming £254; appearance has been entered; proceedings are at present in abeyance pending consideration by the Department of an offer made by the claimants with a view to settlement by the acquisition of the whole block belonging to the claimants, and valuations are now being obtained by the Department.

Messrs. Gilbert and Stirling's claim.—Land acquired by notification in *Gazette*, 9th January, 1904; area, 1 acre 2 roods 20 perches; claim, £177 10s. for valuation of land and compensation under section 19 (1) (b) of the Property Acquisition Act for damage caused to adjoining land by acquisition thereof for a fort; writ issued in May last, claiming £177 10s.; appearance has been entered; proceedings are at present in abeyance pending consideration of an offer to accept a reduced amount and costs, further valuations being obtained with a view of considering the purchase of the whole block.

### BUSINESS OF THE SENATE.

Senator MATHESON.—I wish to ask the Minister of Defence, without notice, whether he cannot see his way to originate some measures here next week?

Senator PLAYFORD.—I am very glad to find that the honorable senator is so anxious to proceed to work, but I am not in a position at the present time to promise any other measures. We are waiting upon another branch of the Legislature.

*Later,*

Senator MATHESON.—I wish to ask the Minister of Defence, without notice, whether his attention has been called to a statement in the *Age* that a Bill to amend the Naval Agreement Act will be intro-

duced, and, if so, whether he could not introduce that measure next week?

Senator PLAYFORD.—I informed the Senate some time ago that the British authorities were going to supply the Commonwealth with vessels more modern and more effective than those supplied under the present agreement, but I have heard no more on the subject.

Senator MATHESON.—There is no Bill, then?

Senator PLAYFORD.—The Bill will come on in due course, but I have heard nothing more on the subject.

Senator Sir JOSIAH SYMON.—But is it not doubtful whether a Bill is necessary?

Senator PLAYFORD.—I think it is necessary, because an alteration of the present agreement is proposed.

#### CUSTOMS REGULATIONS ON OCEAN STEAMERS.

Senator MILLEN.—I wish to ask the Minister of Defence, without notice, a question arising out of a statement he made in the policy debate with regard to a notice posted on the Peninsular and Oriental Company's boats, and to which I drew his attention. He then promised that he would make further inquiries, and communicate with me later on. I desire to ask whether he has done so, and, if so, what he has learned?

Senator PLAYFORD.—I asked that information should be given to me on the subject, but it has not yet been supplied, and therefore I cannot answer the question. I shall make further inquiry, and furnish an answer as expeditiously as I can.

#### HIGH COURT EXPENSES.

Senator Sir JOSIAH SYMON.—I rise to ask Senator Keating to lay upon the table the Order in Council of the present Government, fixing the maximum daily rate of travelling allowance for the Justices of the High Court, if it has not already been produced?

Senator KEATING.—I understand that it is included in the papers relating to the High Court, which have been tabled, and are now with the printer.

#### SPECIAL ADJOURNMENT.

##### BUSINESS OF THE SENATE.

Senator PLAYFORD (South Australia—Minister of Defence).—Before the business of the day is called on, I wish to make

a statement. We have no work set down on the notice-paper for to-morrow, and, therefore, we shall have to adjourn over that day. The question then arises whether we should not adjourn over next week. The Government has business to submit; but I am doubtful, as I was last week, whether we should be able to occupy the attention of honorable senators for the whole of next week if they should agree to meet. I do not like to bring honorable senators from New South Wales, South Australia, and Tasmania, unless we have work to occupy their time, on account of the expense to which they are necessarily put.

Senator GIVENS.—What about Queensland?

Senator PLAYFORD.—Under existing circumstances the representatives of Queensland might give way.

Senator STEWART.—We are always giving way.

Senator PLAYFORD.—To test the feeling of honorable senators I move—

That the Senate, at its rising, adjourn until next Wednesday week.

If any honorable senator objects to this proposal, the omission of the word "week" can be moved.

Senator Lt.-Col. GOULD.—Adjourn for a fortnight!

Senator PLAYFORD.—No. I believe I shall have plenty of work to fully occupy the time of honorable senators if we adjourn for only a week.

Senator GIVENS (Queensland).—I move—

That the word "week" be left out.

I object to the proposed adjournment as a protest against the way in which the Senate is being treated.

Senator Sir JOSIAH SYMON.—Hear, hear.

Senator GIVENS.—This is not peculiar to the present Government.

Senator Sir JOSIAH SYMON.—Oh, yes, it is.

Senator KEATING.—The last Government asked the Senate to adjourn on five occasions.

Senator GIVENS.—It has been the practice of almost every Government. Except in regard to the origination of Money Bills, the Senate enjoys equal power with the other House. As I pointed out a few days ago, there was plenty of business with which the Government could have kept us supplied. For instance, there was nothing

to prevent them from originating here the Commerce Bill and the Secret Commissions Bill. Probably both measures are of a highly technical nature, and that may have been taken by the Government as an excuse for originating them in another place.

Senator STANFORTH SMITH.—No reason except the vanity of Ministers.

Senator GIVENS.—We have a Minister here in the person of Senator Keating, who is just as competent as any one else to explain the provisions of such measures. With all due respect, I submit that the members of the Senate are quite as capable of dealing with technical measures as are the members of the other House.

Senator MCGREGOR.—More capable.

Senator GIVENS. — I do not wish to institute any invidious comparisons; but if the Government had been animated by a sincere desire to get their business transacted, they should have adopted a course which would have kept the Senate fully occupied. If the Bills I mentioned had been introduced here, they would probably have received such a threshing out that there would not have been nearly such a large tornado of talk in another place. Of course, the members of the Ministry may think that they can flout the Senate at their own sweet will—that, as it is not the Chamber which makes or unmakes Ministries, therefore it can be treated as they please. But I take an entirely different view, as I hope honorable senators will do, because in the last resort the Senate has just as much power to make and unmake Ministries as the other House. As a matter of fact, all that the other House has, if it comes to the last resort, is the power of the purse. But the Senate possesses that power equally with the other House, because we could put up our backs and refuse to grant supply just as it could. It is time that the members of the Senate made a protest against the contemptuous way in which they have been treated by every Government.

Senator Sir JOSIAH SYMON (South Australia).—I am delighted to be able to follow in the wake of Senator Givens in regard to the sentiment he has expressed and the criticism he has very gently administered to the Government, but I cannot promise him my vote.

Senator GIVENS.—If the honorable and learned senator's sympathy does not carry his vote it is of no use, and is not wanted.

Senator Sir JOSIAH SYMON.—Probably, when my honorable friend has heard what I am going to say he may be disposed to withdraw his amendment.

Senator GIVENS.—I have not the slightest intention of doing so.

Senator Sir JOSIAH SYMON.—My honorable friend has said that his amendment is moved as a protest against the way in which the Government are flouting the Senate and neglecting to send it work to do. I intend to support the motion for exactly the same reasons as he gave for moving his amendment. I feel with him, that we ought to record our protest, but in my opinion the best way of doing that is to adjourn, not for a week, but for a month. It has been said that other Governments have adjourned the Senate from week to week. If such a thing has occurred, I do not remember that it occurred during the term of the Government with which I was connected. But if such an inglorious departure did take place in their case, I am sure it was justified by a very strong reason, and in the next place, if it was a bad example, I am sorry to see it followed by the present Government. But I dissent strongly from what Senator Givens has said. It is not to the credit of the Government that the Senate, occupying the position it does in the government of this country, should have to adjourn at this period of the session owing to lack of business. I take this opportunity of protesting most emphatically against what I observe has been said by the Prime Minister, that the reason for sitting late in another branch of the Legislature, and for prolonging the sittings on Fridays, is the desire of the Government to send up business to the Senate. The Senate ought not to be in the position of a hanger-on to the House of Representatives. It was expected, when the Senate was constituted, that important legislation would be initiated in it; and it is not to the credit of any Government that we should be put off from day to day with Bills which, to a greater or lesser degree, are not urgent, and should have to wait upon the pleasure of another branch of the Legislature. Our occupations and interests are of just as much consequence, as are the occupations and interests of the members of another Chamber, and we should be regarded as just as efficient and prominent a branch of the Legislature as is the House of Representatives. If we are going to forego our rights in that respect, the sooner

we take up that humiliating position the better. It was intended, and said at the Convention, that the Senate should be, to a large extent, if not altogether, co-ordinate in its power and importance with the House of Representatives. I think that we are whittling away that position. Not only so, but if we do not protest against such a situation, it will lead to its being perpetuated. The question is, however, what are we to do? So far as the representatives of the Government in the Senate are concerned, I do not see what else they could propose than they have done. They are not responsible. But I say emphatically that whatever the intention may be, the result is practically to flout the Senate, and to bring it down to a position of inferiority in the parliamentary government of the country.

Senator GIVENS.—If we take a strong stand we can prevent that.

Senator Sir JOSIAH SYMON.—We cannot prevent it simply by refusing to adjourn for a week.

Senator GIVENS.—Would the honorable and learned senator join me in supporting a motion to adjourn for a month, so as to hang up the Government's Money Bill.

Senator Sir JOSIAH SYMON.—I might do so under some circumstances.

Senator GIVENS.—That is the only effective course we can take.

Senator Sir JOSIAH SYMON.—I do not wish to make a general promise of that kind, seeing that the effect of it might be to punish innocent persons. I am sure that what has been said to-day will be conveyed by my honorable friends at the table to the Government.

Senator PLAYFORD.—Hear, hear.

Senator Sir JOSIAH SYMON. — I acquit them of all personal blame. What I am protesting against is the way in which the Senate has been treated from the beginning of Federation. I say, with great regret, that very often it has seemed as though Governments generally, and members in the other House, have considered that there was no such Chamber as the Senate. Throughout, we have been practically ignored. I declare now that the Senate does not occupy the position which I, as a member of the Convention, anticipated that it would hold in relation to the government of the Commonwealth. I am glad that a protest has been made, but at the same time, as there is practically no business to do, I do not see what other motion the Minister of Defence could have

proposed. What is the use of bringing us back when we shall simply be like the men from Manchester, singing, "We've got no work to do." I shall vote for the motion, and if it had been proposed that we should adjourn for a fortnight I should have supported it, because I accept Senator Playford's assurance that there is no business.

Senator PLAYFORD.—There is business, but not sufficient to occupy us.

Senator Sir JOSIAH SYMON. — We might be employed twiddling our thumbs; but that would not be consistent with the position that the Senate ought to occupy.

Senator HIGGS (Queensland).—I shall support Senator Givens' amendment. There appear to be some members of the Government who have a very poor opinion of the Senate, and who would like to decrease its importance. I do not say that that is the case with all Ministers, but it certainly is with some of them. It is quite possible that the lack of business is due to that mental attitude.

Senator Sir JOSIAH SYMON.—I am sure that it is.

Senator PLAYFORD. — I should like to know who those members of the Government are.

Senator HIGGS.—It is inaccurate to say that there is no business to be done by the Senate next week.

Senator PLAYFORD.—I did not say that; I said there was business, though there was probably not sufficient to occupy us next week.

Senator HIGGS.—The Minister said that there was no business for to-morrow, but there might have been had it not been for the generosity of the Government towards the Opposition. That generosity, I think, is mistaken. The Government are confronted in the Senate with a highly intelligent and pertinacious Opposition. It is a great mistake for them to give way, as was done yesterday in regard to the Copyright Bill. Senator Symon said that, as there is no business to be done next week, we should, if we came back, merely sit twiddling our thumbs. Last night, when the Copyright Bill was before us, he asked for an adjournment for a week to consider it and the amendments that had been proposed. That contentious measure would take more than a few days, and we should do good work if we devoted next week to considering it. If the Government will take a suggestion from a supporter—and I do support this Government, and will support

them while they attempt to bring in good measures—what they ought to do is—

Senator Sir JOSIAH SYMON.—Why does the honorable senator think it necessary to give such an emphatic assurance?

Senator HIGGS.—The other day I voted against the suspension of the Standing Orders, and some honorable senators thought that it was very unkind on my part to do so. I think the Government ought to endeavour to get carried in another place a standing order similar to that which we have passed in the Senate, enabling the motion to be proposed "That the House do now divide." I also suggest to Senator Symon, who has given us some reasons why we should attempt to get on with business, that he should go to his caucus and place before its members—

Senator Sir JOSIAH SYMON.—I have no caucus. I will come to the honorable senator's caucus if its members will let me.

Senator HIGGS.—If Senator Symon will sign the platform we shall be glad to receive him. Let him go to some members of his party, who are responsible for the delay of public business, and explain to them that the Senate desires to proceed with legislation. It must be said for Senator Symon that when he led this Chamber he did endeavour to give us plenty of work to do. I think he will also admit—in fact, he publicly stated on retiring from office—that the Senate gave him every consideration. But I do not think that the Opposition, once they find that the Government are not prepared to give way to every request, will give the present Ministry the same generous treatment as was meted out to them. These proposals to adjourn the consideration of measures like the Copyright Bill are not such as ought to come from senators who are anxious to despatch the business of the country. I trust that the Government will take up a proper attitude with regard to such requests, and will say, "We are not going to grant an adjournment for a week." Then we shall see our friends of the Opposition in their true colours. The Copyright Bill is down for Wednesday next. Honorable senators ought to be prepared to proceed with it, and if there are clauses which require further debate let them be postponed. There is also private business on the paper. I have a motion with regard to the High Commissioner, and Senator Pearce has a motion in respect of

the tobacco monopoly. What is the idea of the Government in putting off the discussion regarding the High Commissioner?

Senator PLAYFORD.—That subject will be considered on a Bill which is to be introduced. The honorable senator is anticipating discussion.

Senator HIGGS.—The Bill is not on the business-paper.

Senator PLAYFORD.—It has been promised.

Senator HIGGS.—If the honorable senator will bring the Bill forward next week I will consider the question of withdrawing my motion. I trust that the Senate will reject the motion for the adjournment. Let the Government be prepared to proceed with business, and they will meet with support. They are only being supported in the belief that they are prepared to pass legislation that the country requires.

Senator MILLEN (New South Wales).—I do not think there can be any division of opinion as to the deplorable position in which our business-paper stands. Even the Government themselves must regret that matters have fallen out as they have done. I can quite believe that Ministers in the Senate are quite as anxious as private senators are to keep us fully occupied.

Senator PLAYFORD.—Hear, hear.

Senator MILLEN.—While I indorse everything that has been said as to the studied neglect with which this branch of the Legislature has been treated ever since the inception of Federation, I see no reason for meeting next week, in view of the fact that the Government have no business to proceed with. But why should we have drifted into this position?

Senator PLAYFORD.—"Stone-walling" in the other House has been the cause.

Senator MILLEN.—I have not heard of any "stone-walling."

Senator PLAYFORD.—I saw it yesterday; I was there.

Senator MILLEN.—What is more, anything that takes place elsewhere would not have affected us if measures had been introduced here. Even if there were such a thing as a "stone-wall" in the other branch of the Legislature, that is no reason why we should be punished for it. I regret the lack of business, but, as we have no business, what is the use of bringing honorable senators back next week?

Senator PLAYFORD.—I do not say that there is no business, but that there is not sufficient.

Senator MATHESON.—There is the Copyright Bill.

Senator MILLEN.—The point is that there is not sufficient business to occupy us next week. I would ask honorable senators to remember what occurred last week. When it was proposed to adjourn over this week, the proposal was met with the statement that there was ample business to occupy the time of the Senate. But our experience this week has shown that there is not.

Senator PLAYFORD.—I did not make that statement.

Senator MILLEN.—I do not say that the honorable senator did. I am supporting the present motion. I point out that last week when the appeal was made to honorable senators to adjourn because there was insufficient business to keep us fully employed this week, the proposal was met with exactly the same statements as those which we have heard to-day. We were told that there was sufficient business on the paper, and the result has shown that there was not sufficient to keep us fully employed.

Senator MATHESON.—There was if we had gone on with the Copyright Bill.

Senator MILLEN.—Senator Matheson must remember that it is only a lightning-like intellect such as his own that could take up a measure like the Copyright Bill, and understand at a moment's notice the effect of amendments submitted upon it. The honorable senator should have compassion on men possessing less brilliant intellects. It would have been an absolutely unreasonable and unheard-of thing if the Minister had proceeded with that Bill in Committee straight away. I challenge any one who has had any parliamentary experience to say that he has known a measure of that kind to go straight from the second reading into Committee, and then be proceeded with. It is because there is occasionally a tendency to do that kind of thing that legislators are half their time occupied in correcting legislation passed with indecent haste. If we have not sufficient work to keep us fully employed next week, is it not a more business-like method to adjourn over that week, and put the work of the two weeks into one?

Senator GUTHRIE.—We should not have been here this week.

Senator MILLEN.—I agree with the honorable senator. Seeing that there is some business to be done, but not sufficient to keep us fully employed, the better plan

would be to adjourn over next week, in the hope that by that time the Government will have devised means to bring sufficient work before us.

Senator PLAYFORD.—I believe we shall have plenty of work after that.

Senator MILLEN.—I am sure that Senator Playford is anxious to bring work before the Senate, and we are willing to cordially co-operate with the honorable senator in that direction. To my Queensland friends, I would say that if the adjournment for a week tended to prolong the session, I should vote against it. I know that they have just to be hanging about Melbourne with nothing particular to do, and I quite recognise the mischief which somebody finds for idle hands.

Senator TURLEY.—The honorable senator speaks feelingly?

Senator MILLEN.—I speak with feeling for my Queensland friends. If we had adjourned last week, we would not have lengthened the session in any way, and an adjournment over next week will not have that effect.

Senator GIVENS.—We shall be kept hanging on to the other Chamber all the time.

Senator MILLEN.—On that subject I agree with Senator Givens as to what will happen if we do not take some action. But bringing honorable senators here at 2.30 p.m., to adjourn at 5.30 p.m., is not a protest.

Senator GIVENS.—Will the honorable senator vote for an adjournment for a month?

Senator MILLEN.—If the assurance of Ministers to find work for the Senate after next week is not kept, I shall be prepared to take almost any action, and action even as strong as that suggested by the honorable senator, to emphasize our objection.

Senator HIGGS.—Would the honorable senator vote for an adjournment until the next election?

Senator MILLEN.—I only hope that Senator Higgs will not have to adjourn beyond it. Whilst an adjournment, such as is now proposed, can be no hardship to our friends from Queensland, their refusal to agree to such an adjournment does constitute a hardship on honorable senators who have an opportunity to reach their homes.

Senator PLAYFORD.—They have the show to go to next week.

Senator MILLEN.—As that will probably induce Senator Givens to withdraw the amendment, I shall say no more on the subject.

Senator MATHESON (Western Australia).—Everything that has been said by Senator Millen emphasizes the fact that we should deal with the Copyright Bill next week. The honorable senator has pointed out that it is an extremely technical measure, requiring a very great deal of consideration even from "brilliant intellects." In the circumstances, the least which the honorable senator and other "brilliant" senators from New South Wales can do is to come here and endeavour to put that Bill through its Committee stage on Wednesday, Thursday, and Friday of next week. I intend to support the amendment, and if Senator Givens cannot carry it, I shall be prepared to support a motion for an adjournment for a month, as a protest.

Senator GIVENS.—Next time, I will move that motion.

Senator MILLEN.—What about the Copyright Bill, then?

Senator MATHESON.—I am prepared to support such a motion, as a protest against the present position of affairs. There can be no doubt that the Senate is treated with great disrespect by the Government. I point out the reason for this, and it has so far not been touched on. Some two sessions ago we passed a motion affirming that the Government should be represented in the Senate by a larger number of Ministers holding portfolios than we at present have. The leader of the Senate must admit that the reason why we have not Bills introduced for our consideration is that each Minister in another place desires to introduce the Bills relating to his own Department.

Senator PLAYFORD. — That is quite natural.

Senator MATHESON.—That is the explanation as to why we get no business in the Senate. Successive Governments have treated the Senate with the gravest disrespect by appointing in this Chamber only one Minister in charge of a Department. An honorable senator asks me whether Senator Keating is not a Minister? He is a most effective Minister, to the extent to which he is allowed to be effective, but he is not in charge of a Department, and he does not originate any Bills. What we require to do is to insist that effect shall be given to the terms of the motion passed here two sessions ago.

Senator O'KEEFE.—How can we insist?

Senator MATHESON.—I shall tell the honorable senator. The present Government is represented in the Senate by, at the outside, three members, and they are supported by the members of the Labour Party. If the members of that party put their feet down, and insisted that the Government should be represented by two effective Ministers in the Senate, we should have them. That is my answer to Senator O'Keefe.

Senator MULCAHY.—That would apply to any Government.

Senator MATHESON.—It is particularly applicable to the present Government. To secure the support of the fifteen members of the Labour Party sitting behind them in the Senate they would have to give in. If the members of that party had insisted before we should have been properly treated in the Senate, and business would have been forthcoming to occupy our time.

Senator MCGREGOR.—Why did not the honorable senator take up that attitude with the late Government?

Senator MATHESON.—What can one man do? I am speaking now of what might be done by a party consisting of fifteen or sixteen members.

Senator MCGREGOR.—Is there no cohesion among honorable senators opposite?

Senator MATHESON.—We belong to one party, and are unanimous. Honorable senators of the Labour Party are merely supporting the present Government, and do not belong to the Government party, and to that extent honorable members on the opposite side are not unanimous.

Senator O'KEEFE.—When the honorable senator's party was in power there were only the same number of effective Ministers in the Senate.

Senator MATHESON. — One wrong does not justify another, and no one is more emphatic than I in stating that the late Government did wrong in this respect.

Senator MCGREGOR.—The honorable senator never said a word about it then.

Senator Sir JOSIAH SYMON.—They never adjourned the Senate for a week for want of work.

Senator MCGREGOR.—Yes, they did; and for a fortnight.

Senator MATHESON. — Senator O'Keefe has said that it is impossible to bring pressure to bear on the Government in this matter, and I have pointed out that it is perfectly possible. I consider that the members of the Labour Party are more



responsible for the present state of affairs than are the Government. They have only to insist to induce the Government to bring more business before the Senate. I am prepared to come here every Wednesday. I hope that honorable senators opposite will support the amendment as a first step towards redressing the injustice to the Senate for which they are responsible.

Senator Lt.-Col. GOULD (New South Wales).—There is a great deal of force in what Senator Matheson has said. Honorable senators supporting the Government should certainly have insisted that the motion carried in the Senate that the Government should be represented in this Chamber by two paid Ministers should be given effect to. Unfortunately, the first, second, and third Governments were represented here by only two Ministers, but with the present Government the representation is even less. On previous occasions we had not only a paid Minister, but the Vice-President of the Executive Council, who at times has very important duties to perform. Under the present Government the Vice-President of the Executive Council has been reserved for another place, and we have in his stead an honorary Minister.

Senator MULCAHY.—It is the difference only between one name and another.

Senator PLAYFORD.—There is nothing in it at all.

Senator Lt.-Col. GOULD.—Honorable senators say so, but, in my opinion, there is a distinct falling away from the position which the Senate occupied previously in this respect. I do not for a moment say this in derogation of either of the honorable senators who at present occupy the position of a Minister in this Chamber. I agree that, if not only honorable senators supporting the Government, but all members of the Senate, would make up their minds to have two paid Ministers in this Chamber, we should soon have them. I do not think that the responsibility for the present state of affairs rests more on one honorable senator than on another. We are aware that honorable members in another place are anxious to hold the balance of power. We cannot blame them for that, and if we are fools enough to allow them to have their own way we have only ourselves to thank. I hope that the Government will take notice of what is said here this afternoon, in order that there may be no reason for Ministers to come down time after time to ask for an adjournment over a week or

a fortnight because there is not sufficient work for the Senate to do. The protest being made will tend to strengthen the hands of Ministers in the Senate. I for one hope that Ministers will recognise that, although certain Bills may belong to a particular Department, they might be introduced in this Chamber in the first instance, in order that both Houses might have their hands full of work to do from the beginning to the end of the session, and there might be no waiting of one House on the convenience of another. We are told that we might take the Copyright Bill next week, but, with all due respect to Senator Matheson, I say that that Bill is of such importance to the whole of the States that they should have an opportunity of making their voices heard with regard to it, not merely through their representatives, but by means of petition or otherwise. Every State has at present its own copyright law, and we are proposing to wipe all those laws out, and adopt a uniform system of copyright for the whole Commonwealth. It is only reasonable that the different States vitally interested in our legislation should have an opportunity of making known their wishes on a measure of this character. In the State Legislatures, when a measure of great importance is brought forward, time is always given for public opinion to make itself known with respect to changes in the law. How much more necessary is that the case in a Commonwealth Legislature, where we represent States 2,000 miles from the Seat of Government? It would be in the highest degree unseemly for Ministers to insist upon going on with that Bill in Committee this week. A measure of this kind can well stand over for two or three weeks, as we know of no great desire on the part of the public for a change in the copyright law. If we did meet next week, there would still be a belittling of the Senate, because people would not bother their heads about us, but would wait until the Bill reached the other House before making representations in regard to it. What I desire is that people should recognise that when a Bill is introduced here, this is the proper place in which to make representations as to alterations which they may deem desirable. However, I look upon this matter from the common-sense stand-point, and I do not wish to come here next week merely to do two or three hours' work.

Senator MATHESON.—The Copyright Bill will provide a day's work.

Senator Lt.-Col. GOULD.—The consideration of that Bill ought not to be hastened; and if the Government tell us that, after next week, there will be plenty of work, we need anticipate no trouble in the future. What on earth would be the good, in the absence of any business, of dragging honorable senators, who are hundreds of miles away, from their vocations? I hope that honorable senators will realize that the motion is the most sensible under the circumstances, and that the result of this discussion will be the introduction in this House of more measures than another place at present seems inclined to send us.

Senator MULCAHY (Tasmania).—We are really discussing two matters on this motion. The opportunity has been taken advantage of to express our protest against the insufficient work provided for us by the Government. We must remember, however, that the Senate itself has very largely consented to the present condition of affairs, seeing that, at the beginning of the session, we arranged to sit only three days in the week. That, I take it, is practically an intimation to the Government that we do not anticipate so much work as is transacted in another place.

Senator PLAYFORD.—There are seventy-five members in another place, and only thirty-six here.

Senator MILLEN.—Does Senator Mulcahy not think that thirty-six honorable senators can reasonably do in three days what it would take a House of seventy-five members four days to do?

Senator MULCAHY.—I am not so sure as to that; and the facts remain as I have stated. A number of honorable senators from Queensland and Western Australia are compelled to remain here during the whole of the session.

Senator MILLEN.—The length of the session is determined, not by the business of the Senate, but by the business in another place.

Senator MULCAHY.—I do not think that the dignity and importance of the Senate has been properly recognised by any Government which has been in power up to the present time. However, I look at the matter from a common-sense stand-point. Are we to come here next week and, as we did yesterday, sit for a couple of hours, and practically do nothing? Would it not be wiser to adjourn for a week, or even a fortnight; on the distinct understanding that

thereafter sufficient work will be provided to keep us fully employed? Surely the whole programme of the Government has not been exhausted in the Bills already introduced in another place. One of those Bills, the Commerce Bill, might very well have been introduced in the Senate, where, I am sure, it would have been dealt with very fully and capably.

Senator HIGGS.—But honorable senators would have postponed that Bill, as they propose to postpone the Copyright Bill.

Senator MULCAHY.—The postponement of the Copyright Bill is most justifiable. I do not think that some honorable senators realize the full importance of that measure, on which we shall have to sit as a kind of jury, and be enlightened by those acquainted with the practice and law of the various States. We can hardly give too much consideration to such a measure, and we cannot deal with it as we ought until we are placed in possession of the information suggested by Senator Symon, as to the authorities on which it is based. I hope that, under the circumstances, Senator Givens will withdraw the amendment.

Senator GIVENS.—I have not the slightest intention of withdrawing the amendment.

Senator MULCAHY.—I hardly expected that the honorable senator had any such intention; but, at any rate, we may hope for a majority in favour of the motion.

Senator STEWART (Queensland).—It is amusing to listen to honorable senators who grumble at the Government for not providing us with business, and for not insisting on the rights of this Chamber, when we know, all the time, that those honorable senators are only too anxious to get away to Sydney and Adelaide every week. The whole thing is neither more nor less than sheer pretence and humbug; and we have had those protests so often that really I am beginning to be tired of them. Unless the Senate takes some effective method of protesting against the way in which it is treated by the other Chamber, I shall come to the conclusion that we have subsided into the position of an ordinary Legislative Council—that the Senate is nothing more than the shadow of a name. Before that state of affairs comes about, I think we ought to have a sort of Donnybrook—there ought to be "wigs on the green"—and not only have something said but something done. I blame the Senate, in the first place, for the present state of affairs; and,

in the second place, I blame the Government. Honorable senators, like Senator Symon, have talked very strongly about the position of the Senate. Senator Symon, as a member of the Federal Convention, no doubt, would tell us very truly that that Convention, and he himself, intended that the Senate should occupy a very different position. It does not matter two straws what the Convention meant, but it does matter a great deal what the Senate means. If the Senate is willing to subside into an inferior position, it seems to me that that state of affairs has been brought about principally by the desire of New South Wales and South Australian senators to get home every week. If the Seat of Government were in a place from which it would be impossible for those honorable senators to visit their homes every week, the difficulty we are now discussing would not continually arise; because those honorable gentlemen would then insist on business being brought in to keep us constantly employed. As it is, however, with the present railway facilities, those honorable senators rush away to Sydney and Adelaide, and probably devote themselves to their own business, with the result that the Senate is placed in a position of inferiority. The Government openly flout us by only placing one or two measures on the notice-paper, while there are a dozen in hand on which very little progress is being made. Honorable senators of the Opposition are, on this question, with members supporting the Government.

Senator MATHESON.—It is not a party question.

Senator STEWART.—It is not. I blame the Senate very much for the present state of affairs.

Senator HIGGS.—And we blame Senator Stewart, amongst others.

Senator STEWART.—The honorable senator need not blame me. I did not attend at the beginning of the session, because I knew that if I did my time would be absolutely wasted.

Senator GUTHRIE. — Had we all done that, what would have happened?

Senator STEWART.—Had we all done that, the position would have been very much better than it is at present. Senator Guthrie is just as anxious as any other honorable senator for an adjournment over next week.

Senator GUTHRIE.—Nothing of the sort. I have been in my place on every sitting

day since I was elected, and I shall in the future be here on every sitting day.

Senator STEWART.—I am not questioning the statement that the honorable senator has attended every day.

Senator GUTHRIE.—The honorable senator does not know anything about my anxiety.

Senator STEWART.—By our actions we are giving the Government reason to place us in the position we now occupy.

Senator GUTHRIE. — Do not get away from the point.

Senator STEWART.—If the honorable senator will not interject, and he, and others beside him, will not talk so much. I shall be able to pursue the thread of my remarks much more collectedly, and bring them to a conclusion sooner.

Senator GUTHRIE.—Why should the honorable senator make a personal reference to me?

Senator STEWART.—I did not make any personal reference to the honorable senator, or, if I did, I was provoked to do it.

Senator GUTHRIE.—I did not provoke the honorable senator.

Senator STEWART.—I know that the honorable senators from South Australia, whether supporting the Government, the Labour Party, or the Opposition, are equally anxious to rush away to Adelaide at every opportunity.

Senator GUTHRIE.—That is not true.

Senator STEWART.—Those honorable senators have not one iota of consideration for honorable senators from Queensland and Western Australia, who are compelled to remain in Melbourne during the whole of the session. What is the good of honorable senators getting up with their tongues in their cheeks, and hypocritically railing against the Government, and complaining about the position of the Senate, all the while knowing that they are only too anxious for an adjournment?

Senator GUTHRIE.—That is not so.

Senator STEWART.—Those honorable senators try to influence the Government to bring about adjournments—they say one thing in the Senate, and another thing privately.

Senator GUTHRIE.—That is absolutely untrue.

Senator STEWART.—The whole business is contemptible—nothing but a tissue of hypocrisy.

The PRESIDENT.—I do not think the honorable senator is in order in accusing honorable senators of hypocrisy.

Senator STEWART.—Then I withdraw the word. What I insist on is that if the Senate is placed in a position of inferiority, it has only itself to blame.

Senator MCGREGOR.—But what if people are always talking about the position of the Senate?

Senator STEWART.—Will the honorable senator assist to do something? Will the honorable senator agree to an adjournment for a month?

Senator GUTHRIE.—No.

Senator STEWART.—That is the only way in which the Senate can help itself. Some honorable senators are watchdogs, who bark but will not bite. There is now presented an opportunity to members of the Senate to adjourn for a month, and, in that way, make their protest so effective that the Government would be bound to take some notice of it. Instead of that we have honorable senators weakly consenting to an adjournment for a week.

Senator MILLEN.—Why should the honorable senator penalize the employes in the Post and Telegraph office in Brisbane?

Senator STEWART.—I am not going to penalize anybody. I think that the position of the Senate under the Constitution is of very much greater importance than the salaries of any civil servants. I wonder at any one with the capacity of the honorable senator bringing forward such a childish argument. What have we to do with salaries? It would not be our fault—

Senator MILLEN.—It would be their misfortune though.

Senator STEWART.—Yes, but it would not be our fault. It would be the fault of the Government and of the members of the other House. If honorable senators are really serious in protesting against the action of the Government, the only way in which it can be shown is either by meeting here next week, and, if we have no business, adjourning from day to day, or by now adjourning for a month. What is the earthly good of adjourning for a week? In a statement prepared for the Minister of Defence some time ago, and purporting to set forth the policy of the Government, we find a confession of faith consisting of thirty-six articles. Its programme contains a large number of questions which were to be brought before Parliament. It has the support of the Labour Party, but what

generalship does it show? It originates all its measures in one Chamber, where the opposition to it is strong, and gives no work to the Chamber where the opposition to it is weak numerically, though not intellectually. In these circumstances, the Government is most seriously to blame. Not only is our time, as well as the time of the country being wasted, but its business is being neglected. We have quite enough business to occupy our time next week. Does any one imagine that the consideration of the Copyright Bill in Committee would not take a couple of days at the very least? There is work for Wednesday and Friday on that Bill alone. Then for Thursday, the notice-paper contains motions on such questions as Home Rule for Ireland, the selection of a High Commissioner, the classification of the Public Service, the case of Senator Neild against Major-General Hutton, and the tobacco monopoly.

Senator MULCAHY.—It will take us two days to discuss whether we should adjourn for a week or for a fortnight.

Senator STEWART.—We may as well be occupied in doing this as in doing nothing. The honorable senator, can take a steamer and run away to Tasmania, but I cannot leave Melbourne. If we adjourn for a week, the business will be scamped, and instead of gaining from the adjournment, we shall practically lose. I hope that those who are really anxious, not only to go on with business, but also to maintain the prestige of the Senate, will vote for the amendment.

Senator GUTHRIE (South Australia).—Senator Stewart seems to have been very hard up for something to say. He has complained about honorable members speaking, and made that a reason for opposing the motion. He has made an unwarrantable attack on the representatives of South Australia, who not only last session, but also this session, have been most constant in their attendance.

Senator STEWART.—They have always wanted to get home.

Senator GUTHRIE.—Because the honorable senator cannot get home, he will not allow any one else to go home.

Senator STEWART.—Why should I?

Senator GUTHRIE.—This reminds one of the fable of the fox and the grapes. The grapes were sour. I do not consider that my home is sour if the honorable senator considers that his is. I do not wish to impute motives to any

one, but if ever there was an honorable senator to whom motives could be imputed it is Senator Stewart. During the first weeks of the session he did nothing; he did not even put in an appearance.

Senator STEWART.—Did the honorable senator do anything?

Senator GUTHRIE.—We were here to do whatever was to be done, and the honorable senator is now anxious to show that he wishes to do something during the session. We have nothing to fear.

Senator STEWART.—The honorable senator started the session with an adjournment, and he has worked so hard that he wants a holiday now.

Senator GUTHRIE.—Those honorable senators who have attended this session have done very good work indeed.

Senator STEWART.—This is their second holiday.

Senator GUTHRIE.—We are prepared—at any rate, I am prepared—to go to the country to-morrow and say to the electors, “We dealt with all the business which was brought forward.” But those who were absent and neglected their duties are frightened of the position in which they may be put on that occasion. Senator Stewart says he cannot get home, but he voted against the representatives of Western Australia getting a survey made of a railway which might enable them to get home. If the Senate should decide to meet on seven days in the week, I am prepared to attend, and in saying that I believe I echo the sentiment of every representative of my State. Senator Stewart was absolutely unwarranted in saying that we were only too anxious to get away, and he knows that he was. He was an absolute traitor to the labour cause, when he said we were anxious to get away to-day. He knows that to-morrow is the 1st September.

Senator STEWART.—I know that there is plenty of business to be done, and the honorable senator cannot deny that there is.

Senator GUTHRIE.—The honorable senator knows as well as I do that in South Australia the 1st September is Labour Day, and he thought that he would penalise the Labour representatives of that State by preventing them from attending the commemoration.

Senator STEWART.—I was not thinking of that at all.

Senator Lt.-Col. GOULD.—Well, in that case, let us adjourn before 4 o'clock to-day until Wednesday week.

Senator GUTHRIE.—If it is warranted by the business of the Senate, I am prepared to remain to-day, and miss an event which I have attended for twenty-five years.

Senator GIVENS.—Neither the motion nor the amendment will prevent the honorable senator from getting away.

Senator GUTHRIE.—No, but Senator Stewart says that we are anxious to get away. As regards next week, I do not care two pins. The probability is that I shall have to come to Melbourne on public business, and while here I might as well be attending the sittings of the Senate as travelling in the train. Senator Stewart had no justification for the attack he made upon representatives of South Australia and, I believe, New South Wales. The latter have, I think, been just as constant in their attendance as he has. It ill became him to read a lecture on attendance here. I intend to support the Government, not because it is proposing to meet my personal convenience, but because it is not prepared to go on with any business next week, when, as I said, I shall be in Melbourne.

Senator GIVENS.—The Government did not say that it would have no business to go on with.

Senator GUTHRIE.—The Government said that it would not have sufficient business to keep us going next week.

Senator GIVENS.—No; Senator Playford said he was not sure that he would have sufficient business to keep the Senate going.

Senator PLAYFORD.—I am not sure that there will be.

Senator GUTHRIE.—Would the honorable senator, if he were leading the Senate, risk bringing honorable senators from all parts of the Commonwealth to go on with the business on the notice-paper for next week?

Senator MATHESON.—Yes; there is a two days' debate involved in one Bill.

Senator GUTHRIE.—No doubt the honorable senator has his own engagements here for next week. But is there any guarantee that he would attend if the Senate sat next week?

Senator MATHESON.—Undoubtedly, if the honorable senator will come.

Senator GUTHRIE.—I shall be here in spite of anything. I intend to follow the Government on this occasion, because I think that Ministers are best able to say whether they can give us work to do or

not. Was it not a farce to bring honorable senators here this week, in some cases a distance of 500 miles, to sit for only two hours yesterday, and to discuss to-day the question whether we shall sit next week or not? I am sorry for those honorable senators who will have to remain in Melbourne if the Senate does not meet next week. But that is their misfortune. The honorable senator who preceded me actually regretted that the Tasmanian senators had a steamer to take them over to the island. Is it not carrying matters a little too far, because the geographical position of some States enables some senators to go home when there is no business to do, for other senators to attempt to prevent them? What is our position? The House of Representatives contains twice the number of members that the Senate does. Consequently, although both Houses start together at the beginning of the session, and both finish together at the end of the session, more time must be taken up in the other branch of the Legislature than in the Senate. The Government have done remarkably well in bringing forward the measures they have done. I have nothing to cavil at in their conduct. If they continue to do as well, I shall still support them. The Government take the responsibility of proposing certain measures to Parliament. If through their own neglect they fail to carry those measures, the blame rests upon them. We have nothing to complain of if they assure us that there is reason for a short adjournment.

Senator O'KEEFE (Tasmania).—In consequence of some remarks which have been made, I think it necessary, as I intend to support the motion, to give my reasons for so doing. It appears to me to be absurd that the Senate should meet next week when there is no business to proceed with. I quite sympathize with the Western Australian and Queensland senators. I, unfortunately, have to remain in Victoria, while my home and family are in another State. I should like to get on with the work of the session. But it is not fair to those honorable senators who wish to go home to compel them to come back when there is not sufficient business. At the same time, I trust that the Government will in future so arrange business that we shall have plenty to do. Undoubtedly the condition of the notice-paper affords reason for much that has been said. I am quite willing to support Senator Matheson in any action which he

may take to enable us to express our disapproval of the failure of the Government to bring measures before us. But what is the use of making an ineffective protest by refusing to adjourn?

Senator MCGREGOR (South Australia).—I am surprised at the unusual heat that has been generated in connexion with this short adjournment. Let me call attention to what has taken place in the past. When I had the honour to occupy a very prominent position in the Senate, I was successful in obtaining five adjournments, some of which were for a fortnight. When Senator Symon was leader of the Senate at the end of a session when everything should be in full going order, he secured three adjournments over a fortnight.

Senator GIVENS.—I took the same objection then as I am taking now.

Senator MCGREGOR.—The honorable senator did not make such a fuss about it. The present Government came into office when things were in confusion, and have had only two adjournments. We should have some consideration for the Government, and some little consistency in regard to ourselves.

Senator MATHESON.—Consistency in doing wrong?

Senator MCGREGOR.—The honorable senator is always doing right. He restricts himself so severely to what is correct, that he hardly ever allows a curl to get out of place. It is a pity that he ever came out of a band-box for the wind to blow upon him. I do not like to see honorable senators protest against an adjournment for the purpose, to my mind, of obtaining a little kudos which they will never get; for the public do not expect us to sit here doing nothing. They have no appreciation of the man who wants us to leave our homes when there is no business for us to do. I trust that honorable senators will support the Government on this occasion, and will in future take all the circumstances into consideration before objecting to what is proposed.

Senator STYLES (Victoria).—I intend to support the Government, and I protest against such a miserable exhibition as faces us on the notice-paper in regard to the business for next week. It consists simply of one line—"Copyright Bill in Committee, clause 2." It is quite possible that the Bill might be disposed of in two or three hours, and then there would be no more business to transact. Although

I support the motion, I hope that the debate will have the effect of inducing the Government to give us more work to do. They should launch some fresh Bills here.

Senator PLAYFORD.—Hear, hear.

Question—That the word “week,” proposed to be left out, be left out—put. The Senate divided.

Ayes	...	...	8
Noes	...	...	18

Majority	...	...	10
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#### AYES.

Croft, J. W.	Stewart, J. C.
Higgs, W. G.	Turley, H.
Matheson, A. P.	
Pearce, G. F.	Teller:
Smith, M. S. C.	Givens, T.

#### NOES.

Baker, Sir R. C.	O'Keefe, D. J.
de Largie, H.	Playford, T.
Drake, J. G.	Story, W. H.
Findley, E.	Styles, J.
Gould, A. J.	Symon, Sir J. H.
Guthrie, R. S.	Walker, J. T.
Macfarlane, J.	Zeal, Sir W. A.
McGregor, G.	
Millen, E. D.	Teller:
Mulcahy, E.	Keating, J. H.

Question so resolved in the negative.

Amendment negatived.

Original question resolved in the affirmative.

### MAIL SERVICE: TASMANIA.

Senator MACFARLANE asked the Minister representing the Postmaster-General, *upon notice*—

1. The amount paid to Tasmania for the Postal Service to the Commonwealth, and, if by poundage rate only, how much per lb.?

2. Is this only for sea carriage?

3. If so, is it considered adequate return for the fast service paid for by Tasmania to the Union Company of New Zealand?

Senator KEATING.—The answers to the honorable senator's questions are as follow:—

1. The amount paid to the Tasmanian branch of the Postmaster-General's Department from 1st October, 1903, until 30th June, 1905, by the other States of the Commonwealth for the carriage of mails sent by those States amounted to £3,295 10s. 1d., the contributions ranging from that of Western Australia amounting to £61 5s. 11d., to that of Victoria amounting to £2,344 9s. 5d. The whole of the payments were at the poundage rates provided under statute, viz., 1s. 4d. per lb. for letters and post cards, and 2s. 8d. per cwt. for other articles.

2. It is only for the carriage from Victoria to Tasmania across Bass Straits.

3. It is considered to be adequate when compared with the practice of other States, which is to carry mails from the border of an adjacent State by express trains without making any charge against the States by which those mails are sent.

### IMMIGRATION RESTRICTION ACT.

Senator DOBSON asked the Minister representing the Minister of External Affairs, *upon notice*—

1. Is it the intention of Ministers in future to administer the third section of the Immigration Restriction Act so as not applying to persons coming from Great Britain to the Commonwealth under contract to perform manual labour, and, if so, are Ministers prepared to introduce a Bill to amend the third section of the Immigration Restriction Act so as to make its provisions conform to such administration?

2. Are Ministers further prepared to amend section 3 of the Immigration Restriction Act so as to allow immigrants from Europe to enter the Commonwealth under contract to perform manual labour, so long as such immigrants are not hired or engaged to perform any of the work or take the place of any workmen who may be on strike or otherwise engaged in fighting for or defending what they may consider to be their just rights?

3. If the reply to question 2 is “No,” are Ministers prepared to amend the Immigration Restriction Act so as to permit immigrants from Europe to enter the Commonwealth under contract, containing such special conditions and restrictions as Parliament may impose, to perform manual labour in connexion with the production of sugar, cotton, and other tropical products, in the tropical and semi-tropical portions of the Commonwealth?

Senator PLAYFORD. — The answer to the honorable senator's question is as follows:—

Any proposed amendment of the Immigration Restriction Act will be a matter of Ministerial policy, and as such duly announced to Parliament. Pending its amendment the Act will, of course, continue to be administered in accordance with its present terms. These do not forbid the Minister to deal with propositions of the nature referred to in question 3, and if any are submitted to the Government they will receive consideration.

### MILITARY FORCES: REPORT.

Senator MATHESON asked the Minister of Defence, *upon notice*—

1. Is the Minister aware that Major-General Sir Edward Hutton was in the habit of furnishing an annual report upon the Military Forces of the Commonwealth for the information of Parliament in May of each year?

2. Has such a report been prepared by the Military Board?

3. If so, what is the date of the report, and why has it not been submitted to Parliament prior to the introduction of the Estimates?

4. If no report has been prepared, will the Minister of Defence instruct the Military Board to give the matter immediate attention, that the Senate, at any rate, may be fully informed as to the condition of the defences of the Commonwealth before dealing with the Appropriation Bill 1905-6?

5. Will the Minister of Defence provide for the inclusion of the Inspector-General's reports on the condition of the fortifications, armaments, forces, and equipment of each individual State, as appendices to the general report of the Military Board?

Senator PLAYFORD.—The answers to the honorable senator's questions are as follow :—

1. The late General Officer Commanding furnished an annual report to the Minister, who laid it before Parliament.

2 and 3. No.

4. Yes. An interim report, from the 12th January, 1905, the date of their appointment, will be obtained from the Military Board at an early date, and a copy will be laid on the table of the House. The late General Officer Commanding made a report, dated 8th November, 1904, a copy of which I will place before Parliament.

5. No. I do not consider it desirable that the Inspector-General's reports should be attached as appendices, but I shall place typed copies of same on the table of the library for perusal of members.

Just before Major-General Hutton left, he made a report, which he brought up to date. I will lay it on the table.

Senator MATHESON.—Will that report be laid on the table directly?

Senator PLAYFORD.—Yes.

## COMMONWEALTH DEFENCES.

Motion (by Senator MATHESON) agreed to—

That the Minister of Defence be requested to lay upon the table of the Senate a copy of the views expressed by the Honorable Alfred Deakin on the present condition of the defence of the Commonwealth, and communicated to the *Herald* on the 12th June, 1905.

Senator PLAYFORD (South Australia—Minister of Defence).—I lay on the table a statement of the views referred to.

Ordered to be printed.

## PARLIAMENTARY ELECTIONS BILL

Motion (by Senator KEATING) agreed to—

That leave be given to introduce a Bill for an Act to amend the law relating to Parliamentary elections.

## NEW GUINEA: CASE OF MR. O'BRIEN.

Senator STANFORTH SMITH (Western Australia).—I move—

That the papers having reference to the administration of justice in British New Guinea laid on the table of the Senate on 24th August, 1905, be taken into consideration; and that the Government be asked to institute further inquiries.

I regret that it is necessary for me to initiate a discussion on matters that affect, in some degree, the administration of affairs in British New Guinea. I have always held, and I have on many occasions voiced the opinion, that we should endow the local authorities in British New Guinea with as much power as possible, and that we should interfere with their administration as little as we possibly can. I believe that as we are not in a position to know the actual conditions in British New Guinea, the less we interfere with the course of administration the better it will be for the Possession. I will at once admit that it is a dangerous precedent to even appear to take the part of settlers against the constituted authority, or to interfere with certain judicial proceedings; except in very exceptional cases affecting the life or liberty of the subject, such as the Goarabari Island case and the case to which I now refer, both of which, I think, justify Federal investigation. The man O'Brien was convicted on three charges before a properly constituted tribunal. He was accused of common assault in connexion with certain of the natives. In the first case he was fined £5, and in each of the other cases he was sentenced to two months' imprisonment, the sentences to be cumulative. He was offered the right to appeal on these cases, and refused to avail himself of that right. The magistrate presiding on the first occasion was Mr. Higginson, and on the second occasion Mr. Monckton. They are very able magistrates, and we can assume that the cases were properly inquired into and the punishment meted out was deserved. That my position may not afterwards be misunderstood, I should say at once that I favour severe punishment being dealt out to any white people guilty of illtreating the natives of British New Guinea. This man O'Brien was set to work at scrub-cutting at Kokoda, the magisterial station for the Yodda gold-fields, and he was guarded by a native armed with a rifle. He rushed the guard,



and a struggle took place. According to the reports we have, both were wounded. The prisoner received a wound in the head, and the native guard was struck three times on the head with a half-axe. The prisoner escaped with the rifle. It is further stated that the guard was very seriously injured, though it is a noteworthy fact that a few days afterwards he was able to give evidence before a board of inquiry consisting of two visiting justices of the peace. This is all we know of the case, and anything further is in the region of conjecture and assertion. It has been stated by one of the miners that O'Brien threatened to shoot anybody who attempted to capture him. It is further stated by the magistrates that certain charges were hanging over the head of this prisoner O'Brien, and that he was to be prosecuted for theft, rape, and assault. Those charges may or may not be true. O'Brien may be an unmitigated scoundrel, as the Government reports seem to convey, or he may only be a violent-tempered, but warm-hearted man, as described in the reports of the miners amongst whom he lived. According to the miners, when one of their number was lost, O'Brien was a member of the search party, and, persevering after the others had given up hope, he was the means of saving the life of the wanderer. But whether the magistrate or the miners be correct, does not in the slightest degree affect the present issue. Every man is held to be innocent until proved to be guilty, and merely alleged offences ought not to be taken into consideration. The only charge against O'Brien is that he was convicted of common assault, and that he overpowered his guard and escaped from custody; and on this account, a most extraordinary proclamation, which practically outlawed him, was issued by the Assistant Resident Magistrate, in the following terms:—

Should O'Brien appear to any member of the field, such member is perfectly justified in ordering him to stand or go in front of him to police, and if O'Brien fails to do either of these things he may be shot.

I do not know the exact meaning of "any member of the field"—whether the words mean any white resident or any inhabitant of the field, coloured or white. In any case, power was given to shoot this man, in the event of his refusing to walk to the police station; whether O'Brien resisted or not, if he merely refused to walk before his captor, he

might be shot. For instance, O'Brien, as was the case when he was originally apprehended, might be in bed, and if he refused to rise, and walk before any miner or inhabitant of the field, he might have his brains blown out. That was really the power given in the proclamation issued by the Assistant Resident Magistrate. Even if the man were working at his vocation, he might there be shot by any one before whom he refused to walk to the police station; that is, he might be shot if he attempted to get away, or merely folded his arms and refused to move. Under the circumstances, any one with a grudge against O'Brien could have shot him at sight, and afterwards declared that he had refused to walk back to custody. We have been very careful, and rightly so, to see that all the rights and privileges of the natives are conserved. When Dr. Chalmers, a missionary named Tomlinson, and ten others were massacred and eaten by the natives, and an attempt was made by a Government party to capture the murderers, the natives, who fired on the party, were fired on in return, and a number of them shot as they retreated. In that case, an inquiry was immediately instituted in order to ascertain whether any wrong had been done to the natives. We are quite right in seeing that no cruelty is exercised by the immigrant whites; but surely we ought also to be careful to see that we do not treat the whites with less regard than is paid to the native population. A petition, signed by twenty-three out of the thirty-four white men on the Yodda gold-field, was addressed to the Minister of External Affairs, and a counter petition signed by fifteen or sixteen residents, four of whom signed the original petition. The former petition was analyzed by the Resident Magistrate almost paragraph by paragraph. The Resident Magistrate, however, made no comment on the extraordinary proclamation that was issued by the Assistant Resident Magistrate, although, seeing that the proclamation was included in the papers forwarded, he must have known of its existence. That fact is sufficient evidence that the proclamation was issued, and that the Resident Magistrate expressed no opinion in regard to it. The most surprising feature of this case is the silence of the Magistrates and of the Government of New Guinea with regard to the proclamation. No reproof has been administered, no regret expressed, and no inquiry made; and up to the present there

has been no explanation why such a course should have been adopted in reference to O'Brien. Undoubtedly the Assistant Resident Magistrate exceeded his functions in issuing a proclamation giving the right to shoot a man who has been convicted of only a trivial offence. The Queensland statute law was adopted in New Guinea in 1888, and the magistrates in the Possession have no more power than have the stipendiary magistrates of that State. Indeed, I doubt very much whether such a proclamation could be properly issued by the Administrator, with the advice of the Executive Council. In the early bushranging and convict days of Australia, certain men were outlawed, and could be shot at sight; but that was done by the Governor, with the advice and consent of the Executive Council. I doubt very much, however, though I speak under correction, whether the Governor-General of the Commonwealth, with the advice of the Executive Council, has power to issue a proclamation of this character. In my opinion, nothing but an Act of Parliament could empower the Government to outlaw a citizen of Australia, and such an Act would, of course, have to obtain the Royal assent. If a prisoner, on conviction of common assault, escaped from the Melbourne gaol, and a proclamation of the kind were issued, I venture to think that a most profound sensation would be caused throughout the Continent, and, further, that if the convicted man happened to be shot, the magistrate who issued the proclamation would be tried for his life. Surely it is not contended that when a Britisher or an Australian goes to British New Guinea he is to be deprived of the inestimable privileges which we enjoy here?

Senator PLAYFORD. — A man must not commit assaults.

Senator STANFORTH SMITH. — Surely a man is not to be deprived of the rights we enjoy under Magna Charta and the Petition of Rights merely because he has committed a trivial offence?

Senator PLAYFORD. — What has become of the man?

Senator STANFORTH SMITH. — There is a mail only once a month from New Guinea, and when it arrives we may hear that O'Brien has been shot.

Senator PLAYFORD. — I have not had time to look through the papers.

Senator STANFORTH SMITH. — I am surprised that the members of the Government have not taken any notice of this

matter, seeing that in the case of the natives there was no hesitation in appointing a board of inquiry.

*Debate interrupted. Orders of the Day called on.*

Motion (by Senator PEARCE) proposed—

That the consideration of Order of the Day No. 1, Tobacco Monopoly, be postponed until notice of motion No. 3 has been disposed of.

Senator Lt.-Col. GOULD (New South Wales).—We do not know how long the debate on Senator Smith's motion will be continued.

Senator STANFORTH SMITH.—I shall not be more than five minutes.

Senator Lt.-Col. GOULD.—I presume that the Minister of Defence desires to reply to the honorable senator.

Senator PLAYFORD.—No; I have not seen the papers. There is a gentleman coming down from British New Guinea who will give the information.

Senator Lt.-Col. GOULD.—Let the honorable senator ask for leave to continue his speech on another occasion.

Senator STANFORTH SMITH.—I do not see why I cannot continue my speech now with the consent of the honorable senator in charge of the next order of the day. I shall not be more than five minutes.

Question resolved in the affirmative.

*Debate resumed.*

Senator STANFORTH SMITH.—I have lived amongst miners nearly all my life. Although I admit that miners are rough and ready, perhaps not so polished in their mode of speech as some of the city men, and may not doff their hat and pull their forelock in the presence of their so-called superiors; still, there are no more law-abiding men in the Commonwealth, and that is proved on every field in Australia. I want honorable senators to understand that the miners on this gold-field are Australians.

Senator MILLEN.—As this question is so important that other business has had to be set aside to discuss it, I think, sir, we should have a quorum present. [*Quorum formed.*]

Senator STANFORTH SMITH.—That the miners in British New Guinea are just as law abiding and as good men as the miners of Australia from whom they are drawn, is proved conclusively by the fact that there have been hardly any convictions amongst them. I wish now to say a few words about the treatment of white

prisoners in the Possession. We must recognise the peculiar conditions that exist there, differentiating as they do from those prevailing in Australia. The whole government of the Possession rests upon one word, "prestige." The belief of the natives in the power of the white man is even more important than their belief in his justice. It is a boast that since British occupation of the Possession, no white soldier has been there. That has been brought about, not only by the want of cohesion amongst the natives, but equally by the loyal support which has been given by the white colonists to the Administration. It would be a sorry day for the Possession if the white population were to adopt a hostile attitude towards its Government. When a prisoner is put to the work of scrub-cutting, it is regarded as one of the most menial occupations to which a man can be put there. It is an occupation which no one but a native ever undertakes. This prisoner was put to the work of scrub-cutting. He was guarded by a native with a rifle, and his gaolers were actually, if not theoretically, natives. Surely that reverses the usual order of things, and is likely to create a very bad impression in the minds of the Papuans. It will profoundly and injuriously modify the natives' view of the paramountcy and the power of the white population. For a white prisoner to work at what is considered a menial occupation, under the control of a native with a rifle, in an open field, in full view of the natives, and in a place where they are continually congregating from distant parts as they come to lodge complaints, or to receive instruction or advice, or to bring foodstuffs for the population at the Government station, is a thing which will revolutionize the views of natives in regard to the power and prestige of the white man. They will cease to recognise the superiority of a person whom they themselves can control with a rifle, and compel to work. Such a system is liable to make a white man an object of contempt rather than of respect to the natives, as he should be.

Senator MILLEN.—I beg, sir, to call your attention to the state of the Senate. [*Quorum formed.*]

Senator STANFORTH SMITH. — The petition which was sent down to the Minister of External Affairs, and signed by thirty-three out of the thirty-four miners on the field, contains this statement in re-

gard to the degradation of working under the control of a native—

It acts like a dagger in the heart of a white man when he knows that the ignorant savage is placed in control over him by his own white men.

That is a position which should not be tolerated, and which is unnecessary. We have a white gaoler at Woodlark Island, as well as at Port Moresby, seventy miles distant, and all white men in prison should be sent to either one place or the other. For the sake of producing a moral effect upon the natives, no white man should be placed under native gaolers to work as an inferior to them. I regret that, in doing what I believe to be my duty here, I have been compelled to speak as I have with regard to the actions of certain men from whom I have received the greatest kindness. During my last trip to British New Guinea I was treated with the greatest kindness by every one I met, more especially by these very men whose conduct I am now discussing. When I reached the Yodda Field I was struck down with malarial fever, and these men treated me with the greatest kindness, so that I have no personal feeling other than gratitude to them in this matter. I believe that such an act is likely to be most detrimental to the best interests of the Territory, and to create a feeling of hostility on the part of the colonists against the ruling powers, and therefore I felt it necessary to bring the matter before the Senate. What I ask the Government to do is merely to request the Administrator to give a full report of the whole proceeding, with his reasons for taking no notice of this extraordinary proclamation which was issued, and his justification therefor, if a justification can be given. The people of British New Guinea are entitled to the same rights and privileges, as far as possible, as we are, and an escaped prisoner there should receive the same treatment as we would demand for an escaped prisoner here. Were a prisoner to escape here in similar circumstances, and a right to be given to any person to shoot him, practically at sight, unless he went back to gaol, it would be considered an outrage. Are we to deprive the colonists in British New Guinea of such rights and privileges as we possess in that respect? The Chief Justice of the Possession possesses local knowledge, and would be able to furnish a report on this matter. The miners have the highest

opinion of His Honour, and would be quite willing, I am sure, to abide by his decision. If the Government would give a promise to ask Chief Justice Murray to give a report on the whole matter, especially with regard to the document I read, I think the miners in the Possession would be satisfied, and the people of the Commonwealth would know exactly what had occurred.

Motion (by Senator PLAYFORD) proposed—

That the debate be now adjourned.

Senator MILLEN (New South Wales).—Before the question is put, sir—

The DEPUTY PRESIDENT.—There cannot be any debate on this motion.

Senator STEWART.—What is the object of adjourning the debate?

Senator PLAYFORD.—I am going to get some information from the Secretary of External Affairs, who is returning from New Guinea next week.

Question.—That the debate be now adjourned—put. The Senate divided.

Ayes	...	...	...	11
Noes	...	...	...	4

Majority	...	...	7
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#### AYES.

Croft, J. W.	Pearce, G. F.
de Largie, H.	Playford, T.
Findley, E.	Smith, M. S. C.
Givens, T.	Styles, J.
Higgs, W. G.	<i>Teller:</i>
Keating, J. H.	O'Keefe, D. J.

#### NOES.

Matheson, A. P.	<i>Teller:</i>
Stewart, J. C.	Millen, E. D.
Walker, J. T.	

Motion agreed to; debate adjourned.

### NATIONAL MONOPOLY IN TOBACCO.

Debate resumed from 3rd August (*vide* page 540), on motion by Senator PEARCE—

That a Select Committee of the Senate be appointed to inquire into and report upon—

1. The existence or otherwise of a combine, trust, or monopoly in the industry of the manufacture, importation, and sale of tobacco, cigars, and cigarettes within the Commonwealth.
2. If such combine, trust, or monopoly be found to exist, as to its effect on the industry, and on the Commonwealth.
3. As to the advisability or otherwise of the Government taking over the industry of such manufacture, importation, and sale, or any part thereof.

That the Committee have power to send for persons, papers, and records.

That the Committee report to the Senate on 9th August, 1905.

Senator MILLEN (New South Wales).

—In view of the importance of this subject, one would have expected that the mover would see the reasonableness of the suggestion which has been made to him, to adjourn the debate until we had a more representative attendance. The effect of what has taken place in the Senate to-day has been that a large number of honorable senators have left the Chamber, and some, indeed, have left the State.

Senator MATHESON. — With their eyes open; knowing the business that was on the paper.

Senator MILLEN.—And that their business did not take them to Randwick the week after next.

Senator MATHESON.—That is most pertinent to the question!

Senator MILLEN.—As pertinent as the honorable senator's interjection!

Senator GIVENS.—I rise to order. What has Randwick race-course to do with the motion?

The DEPUTY-PRESIDENT.—There is no point of order.

Senator MILLEN.—It is deplorable that a motion of this kind, which concerns not only the appointment of a Select Committee, but the affirmation of something like a principle affecting the nationalization of a large industry, should be debated in a House of which the most that can be said is that technically it meets the requirements of the Constitution with regard to a quorum. However, it appears that as long as the mover of the motion gets it through somehow, that is really all he cares. I can quite understand the patient zeal with which he has pursued this question, from the time he took his seat in the Senate. But zeal is one thing and sound judgment is another. It does appear to me that the honorable senator is absolutely disregarding what I think ought to be a fundamental principle, that all matters of this kind should be determined after mature consideration, and by a process that entitles the Senate to be called a deliberative assembly, and not a mere meeting of two or three persons. It may be urged that there has been sufficient delay already, and that therefore there is no necessity for postponing a decision. But let me point out what has resulted from the delay. When Senator Pearce first brought forward this

scheme, his motion was very different from that which he submits to-day. His original proposal was very much wider in its scope. It was in the following terms:—

In order to provide the necessary money for the payment of old-age pensions and for other purposes the Commonwealth Government should undertake the monopoly and sale of tobacco, cigars, and cigarettes; and that a Committee be appointed . . . to inquire into and report on the best method of carrying the foregoing resolution into effect.

It will be observed that Senator Pearce then proposed to raise money for old-age pensions. Not a word about that appears in the present motion. Old-age pensions was made the peg upon which to hang the consideration of a stupendously important question—whether or not we should nationalize an industry. Further, it will be observed, in the second part of the original motion, that it was laid down as an absolute affirmation that it was desirable to do this thing. The motion now submitted takes quite other ground. Not only is there no suggestion that the necessity of paying old-age pensions requires us to nationalize the tobacco industry, or that we ought to devote the proceeds of the industry to the payment of old-age pensions; but there is this further remarkable change: that whereas previously the Senate was asked to affirm that it was desirable to nationalize the tobacco industry, to-day Senator Pearce recedes from that position, and merely asks us to appoint a Committee to inquire whether or not it is desirable so to do. It will be observed at once that a vast change has taken place in the standpoint of the honorable senator. It is quite evident that this alteration is due to that deliberation which has been afforded by the fact that time has been at his disposal for the further consideration of the subject. A double gain has resulted from the delay. The first gain is that we can now consider the question of the nationalization of the tobacco industry quite apart from the question of old-age pensions, as we ought to be able to do. The second gain is that the honorable senator in charge of the motion has, as I have pointed out, seen the desirableness of desisting from the affirmation that it is desirable to institute a national monopoly, and has come down to the position of affirming that it is desirable to inquire about it. In view of the fact that the honorable senator in charge of the motion has gained so much, has altered his mental focus in such

a remarkable degree as the result of a few months' delay, it is to be regretted that he did not recognise the great advantage which would in all probability have resulted if he had further postponed his motion to enable it to be considered with something approaching a full attendance of the Senate. As the honorable senator has not seen fit to do so, it remains for me to express the hope, which I do most sincerely, that the absence of a large number of the members of the Senate will not in any way tend either to destroy or deflect the sound judgment which the Senate would have expressed if more fully represented, or induce us to take any action which will not be desirable in the interest either of the dignity of the Senate or of the welfare of the Commonwealth. I wish to divide the motion, as it ought to be divided, into two portions, for it raises two absolutely different questions. The first, which is covered by the first and second paragraphs, favours the appointment of a Committee for the purpose of inquiring as to whether a combination or trust exists, and, if so, the effect of that combination or trust on the tobacco industry and on the Commonwealth. The third paragraph of the motion empowers the Committee to inquire into the desirability of nationalizing the industry. There are two widely different things covered by these three paragraphs. As to the question whether a Committee might advantageously be appointed to inquire into the existence of a combination, I am with Senator Pearce. I do not affirm as emphatically as does the honorable senator that a pernicious trust exists. I think, from the evidence which the honorable senator has sought to submit to the Senate, that he has allowed his zeal to outrun his judgment, and has overstated his case. But I do think that there is sufficient evidence before us to justify the belief that there is a combination of some kind in existence, and, that being so, in view of the history of trusts elsewhere, I think that it is not an undesirable thing—indeed, that it is a desirable thing—that we should inquire into the operations and methods of this combination. I shall return to that matter a little later, but I want to point out the difference in principle involved in an inquiry into the existence of a trust as covered by the first two paragraphs of the motion, and the third paragraph, which deals with the nationalization of the industry. I regret that in this matter I may appear to be somewhat antagonistic to the motion as

a whole, when, as a matter of fact, my hostility is centred in the third paragraph. Before passing on to deal with that paragraph, I should like to suggest an amendment of the second paragraph, which I have no doubt Senator Pearce will be prepared to accept. One of the contentions advanced by the honorable senator and by other friends of the motion, is that to some extent the existence of this combination is detrimental to the growers of tobacco, and it is assumed that under a national monopoly, which Senator Pearce wishes to see created; the growers would obtain better prices, and to that extent would be placed in a position to carry on their industry with greater profit than it is alleged they can secure at present. But there is nothing in the motion which has any reference to the growers of tobacco. There is nothing in it to empower the Select Committee, if appointed, to take any evidence as to the position of any persons outside the manufacturers, merchants, retailers, and dealers in tobacco.

Senator PEARCE.—Does not the honorable senator think that the second paragraph gives the Select Committee power to inquire as to the effect of the combine on growers of tobacco?

Senator MILLEN.—Absolutely no; because the honorable senator will find that in the first paragraph of his motion he has really supplied a definition of what he means by the word "industry." That paragraph reads—

The existence or otherwise of a combine, trust, or monopoly in the industry of the manufacture, importation, and sale of tobacco, cigars, and cigarettes within the Commonwealth.

Senator PEARCE.—Surely the supply of the raw material may be considered one part of the manufacture?

Senator MILLEN.—It would have been if the honorable senator had not limited it. Senator Pearce has limited himself as many another man does, by using too many words in his motion, and by saying exactly what he means by the word "industry." The industry, as the honorable senator has described it in his motion, is that of the "manufacture, importation, and sale of tobacco, cigars, and cigarettes." If the honorable senator had stopped at the word "industry," he would have covered everything; but he has expressly mentioned the manufacture, importation, and sale of tobacco, cigars, and cigarettes. I am sure

that Senator Pearce desires that the Committee, if appointed, shall inquire into the condition of the growers of tobacco. As I agree to the appointment of the proposed Select Committee, to the extent of the powers proposed to be conferred by the first two paragraphs of the motion, I think that while it is inquiring into the business it should inquire into it from the beginning, and should take into consideration the position of the growers of tobacco. I therefore suggest that the second paragraph of the motion should be amended by the insertion after the word "industry" of the words "and cultivation of tobacco." I am sure that Senator Pearce desires that his motion should cover an inquiry into the cultivation of tobacco; but he must admit that there is some force in my remarks that it is only by stretching the meaning of the motion, as he has framed it, that it can be held to cover any inquiry into the industry prior to the stage when tobacco has become a mercantile commodity, and is handled for manufacture or sale. I am prepared to move the insertion of the words to which I have referred; but if the honorable senator will move such an amendment himself I shall be satisfied.

Senator PEARCE.—I am prepared to accept the amendment.

Senator MILLEN. — I should like to have some assurance as to the way in which the motion will be submitted to the Senate. I do not know whether it will be submitted paragraph by paragraph, or whether it will be necessary for me to move to strike out the third paragraph. If it is necessary that I should move such an amendment I shall be prepared to do so; but that will not be necessary if the motion has been drafted in such a way as to allow of its being submitted to the Senate in paragraph form. If the Deputy President will be kind enough, before I sit down, to indicate how he proposes to submit the motion, I shall be able to decide whether it will be necessary for me to move the elimination of the third paragraph.

The DEPUTY PRESIDENT.—There being two questions involved in the motion, I shall consider it a complicated one, and shall put it in the manner suggested by Senator Millen.

Senator MILLEN.—In that case it will not be necessary for me to move the omission of the third paragraph, and I shall content myself with voting against it when it is submitted. *Do I come now to what, to*

my mind, is the crux of the whole position. In approaching this question of the nationalization of the industry, I am brought face to face with a question which I am afraid we are too often inclined to overlook in much of the legislation brought before us, and that is the question whether the proposal submitted is constitutional. I may be met at once with the statement that it is not material whether it is constitutional or not, seeing that this is merely a proposal for the appointment of a Select Committee to inquire into it. But I cannot conceive of anything more like shirking our responsibility, more degrading to the Senate, or more childish in itself, than to appoint a Select Committee to inquire into something which we have not the right to deal with by legislative enactment. I shall be as brief as I can; but it is obvious that a matter of this kind, which is not only of great importance in itself, but of considerable complexity, is not one which can be hurried over lightly. Further, I look upon it as one reason for addressing the Senate at some length on this motion that the question involved is not merely that of a tobacco monopoly. It must be borne in mind that this represents the first concrete instance of an attempt to encroach upon what are States rights and States prerogatives. If, as I think I can show, there is no power under the Constitution enabling the Commonwealth to carry on an industry, that that is a prerogative of the States, it is essential to the proper discharge of the responsibilities which rest on us, and to our individual and collective dignity, that we should refrain from asserting any right to operate in the domain secured by the Constitution to the States. On that point there is further evidence of the great gain which has resulted in the consideration of this matter from the delay which has taken place. Senator Pearce, when he first brought this matter before the Senate, was absolutely emphatic in his assurance that we had the constitutional power to do what he proposes. The honorable senator is not certain to-day. He will not to-day affirm, as he did when he first introduced the matter, that there is absolute constitutional warrant for doing what he proposes. The honorable senator was at first emphatic that it was constitutional to carry out his wishes. A little later he is wavering; he is inclined still later to admit that it might be a matter of some doubt; and finally he finishes up by saying that, in view of the doubt, we should ap-

point a Select Committee to take evidence and try to solve it. This shows that even the honorable senator in charge of the motion entertains grave doubts as to whether we have a constitutional warrant for nationalizing this or any other industry. It is in the hope of completing a conversion which has apparently commenced, and because of the great importance of the subject, that I propose to refer to a few constitutional authorities to see if I can, even at the eleventh hour, convince the honorable senator of the unconstitutional character of the proposal he submits, and in the hope, gradually becoming fainter, that the Senate will refrain from appointing a Select Committee to inquire into a project when it must know that it has no constitutional warrant for giving effect to it. I have been surprised, in reading through the speeches made by Senator Pearce, to find that one who has been so intimately associated with Federation from its earliest days, should have fallen into a grave and fundamental error as to what is the basis of the Constitution under which we, politically, live. It is quite evident that Senator Pearce has not yet grasped the wide distinction which marks our Constitution, following largely, as it does, that of the United States, as compared with that of Canada. The honorable senator's error is shown by the interpretation he seeks to read into those simple words "the peace, order, and good government of the Commonwealth," forming the introductory portion of section 51. The interpretation which Senator Pearce gives to these words, if carried out literally, would simply mean that the Federation can legislate upon any subject which Parliament chooses to think necessary for "the peace, order, and good government of the Commonwealth." He absolutely denies that the powers of the Commonwealth are limited to the thirty-nine articles which are set out in section 51. It is somewhat difficult to speak to empty benches, and I beg to draw your attention, sir, to the state of the Senate. [*Quorum formed.*] It is curious that Senator Pearce, in his efforts to bolster up an opinion which appears to be necessary to him for the maintenance of his case, should have quoted a number of constitutional authorities, every one of which, I think, can be shown to be absolutely against the conclusion at which he arrives. This is a remarkable instance of a man who, having, first of all, formed an opinion, immediately seeks to turn all facts and authorities

to the support of that opinion. The honorable senator referred to a quotation from remarks by Mr. Justice Clarke; and I invite honorable senators to note with what unflinching regularity every one of the authorities relied on by Senator Pearce is absolutely fatal to his case. I shall not trouble the Senate with the rather long quotation from Mr. Justice Clarke, but merely read the words in which Senator Pearce summarized the quotation, and, I think, fairly enough—

The words ("peace, order, and good government,") either mean that we have the power to legislate for those purposes, except where we are expressly forbidden, or, except the power is expressly reserved to the States, or their insertion was unnecessary.

That is an affirmation that we have the power to legislate beyond the expressed thirty-nine articles in section 51, or that the words, "peace, order, and good government," are unnecessary. As elucidating the argument to which I wish to address myself a little more fully, let me point out that the honorable senator appears to have ignored altogether the vast difference between our Constitution and that of Canada. Here all power is reserved to the States, except that expressly and specifically transferred to the Federation; whereas in Canada, all power rests in the Central or Federal Government, except that power which is specifically and expressly transferred to the States. That being so, there seems to be no doubt that we are limited absolutely and entirely to the articles set out in section 51. Yet Senator Pearce, because none of the thirty-nine articles expressly provided for the carrying on of any industry, seeks to draw some comfort from the words, "peace, order, and good government," and to contend that those words give power to legislate on anything we believe to be necessary for the welfare of the Commonwealth. Let me show the error of that position. If there is one point on which the Constitution is clear, it is, I think, that the Federation is absolutely powerless outside the powers expressly transferred from the States. One of the frequent sources of trouble in the early days of most Federations has been in determining exactly where the limit of one authority ends, and the other commences. But it has never been disputed in America that the powers of the Federation there are limited to the transferred powers. I venture to think that Senator Pearce, in quoting the words, "peace, order, and good

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government," has dissociated them from words in the context which absolutely qualify them. The words on which Senator Pearce relies are in the first portion of section 51—

The Parliament shall, subject to this Constitution, have power to make laws for the peace, order, and good government of the Commonwealth, with respect to—

Then are enumerated the thirty-nine articles. Senator Pearce selects the words "peace, order, and good government," shutting out the other words, "subject to this Constitution," just as he shuts out the words which follow, viz., "with respect to." The section as a whole does not provide that Parliament shall have power to make laws for "peace, order, and good government"—nothing of the kind. The section provides that the Parliament shall have power, "subject to this Constitution," to make laws for the "peace, order, and good government of the Commonwealth," and then come the words, "with respect to," followed by the thirty-nine articles. It is to be observed that this limitation, so clearly and sharply set to the powers of the Federation, is repeated in numerous other places throughout the Constitution. Senator Pearce said that if the words "peace, order, and good government" do not imply some power other than those set out in the articles, they are superfluous and unnecessary. My answer is that if the words mean an unlimited power to legislate on anything that may be regarded as for the "peace, order, and good government" of this country, and are not limited by the thirty-nine articles, why are the thirty-nine articles enumerated? Why does the section not simply read, "The Parliament shall have power to make laws for the peace, order, and good government of the Commonwealth"?

Senator DOBSON.—Even then the laws would be subject to the Constitution.

Senator MILLEN.—I am leaving those words out.

Senator DOBSON.—But I think those words would have to be implied.

Senator MILLEN.—Senator Pearce suggests that the words "peace, order, and good government" either gives us power beyond the thirty-nine articles, or they are unnecessary. But if they mean that we may go beyond the thirty-nine articles—if they give us unlimited power—why are the articles enumerated? There would have been no Federation if there had not been the qualifying words. I pass now to the



sharp limitation placed on our legislative powers. In the course of my argument, I shall use, as far as I can, every section of the Constitution, and every authority quoted by Senator Pearce, because I require nothing better to show the fallacy of his argument. Let us turn to article xxxi. of section 51. This provides that we may legislate with respect to—

The acquisition of property on just terms from any State or person, for any purpose in respect of which the Parliament has power to make laws.

Senator Pearce laid some stress on this article as proving that we have the power to acquire the tobacco monopoly. The article gives power for the "acquisition of property on just terms from any State or person." For what? The "peace, order, and good government of the Commonwealth"? Not at all. There is a limitation. We have power to secure the "acquisition of property on just terms from any State or person, for any purpose in respect of which the Parliament has power to make laws." There again is a sharp limitation. If it had been intended to mean, as Senator Pearce has represented, that we have unlimited power to legislate in any direction in which it appears to us the "peace, order, and good government of the Commonwealth" demands, why do those limitations run throughout the Constitution? We have only power to legislate, or even to acquire property, under the section where that property is required "for any purpose in respect of which the Parliament has power to make laws." Curiously enough, this is one of the sections of the Constitution brought forward by Senator Pearce in order to show that we have power to legislate outside the Constitution. Senator Pearce also quoted article xxxix. of section 51, and I admit that it was surprising to me to find the honorable senator appealing to those articles for support of his contention that we have power beyond that there prescribed. Every authority cited by the honorable senator seems to repeat and confirm the limitations and prescriptions which are around us in regard to the extent to which we may, or may not, legislate. Article xxxix., following, of course, the preamble to the section, gives power to legislate on—

Matters incidental to the execution of any power vested by this Constitution in the Parliament, or in either House thereof, or in the Government of the Commonwealth, or in the Federal Judicature, or in any department or officer of the Commonwealth.

If that article proves anything, it proves that we are absolutely bound by the thirty-nine articles, and not, as the honorable senator desires to show, that we have any power beyond. If the words "vested by this Constitution" had been omitted, the honorable senator might have contended that we had a roving legislative commission. But turn where we may in the Constitution, we find ourselves hedged about sharply, and in the most pronounced fashion. Though we have ample sovereign power, as wide as it is possible to conceive, it is in regard to a very strictly limited number of subjects; and the subject on which Senator Pearce desires to legislate is not one of those set out in section 51. I think it must be held that our powers are limited to the various subjects for legislative action which have by this section been transferred from the States to the Federation. If it will be admitted that we are limited to these transferred powers, then I ask whether the power of carrying on manufactures and industries was one of the powers transferred, and, if so, where and how was it transferred? It may be presumed that every one will readily admit that, prior to Federation, the States had an absolute right to manufacture if they pleased. There can be no doubt that any individual State had unquestionable power to start any industry, any manufactory, or any distributing business which it might choose to carry on. If that power did rest in the States, it must rest there to-day, unless it has been specifically transferred. That it rests there unless transferred is made clear by section 107, which says—

Every power of the Parliament of a Colony which has become or becomes a State, shall, unless it is by this Constitution exclusively vested in the Parliament of the Commonwealth, or withdrawn from the Parliament of the State, continue as at the establishment of the Commonwealth, or as at the admission or establishment of the State, as the case may be.

That express and wise provision is the very basis of the Federation. I submit that prior to Federation the power of carrying on manufactures and industries was with the States. If it has been transferred, I ask for the proof of the transference. There is nothing in the thirty-nine articles, not even by implication, to say that it has been transferred. Therefore it has not been transferred, but still remains with the original repositories—the States. For

us to legislate in what is unquestionably and constitutionally their domain is to do something which would be not only wrong in itself, but pernicious in its ultimate effects, and possibly produce between the States and the Federation friction, which I am sure we would all deplore. It is rather curious that Senator Pearce, who sought to show that we have power to carry on an industry, does make a little concession to the principle of States rights, does show a little inclination to occasionally recognise the binding power of the Constitution, when he admits that we could not take over the management of the mines of the States because they are reserved to the States. Where are they so reserved? In the Constitution there is no reservation in regard to mines that is not also a reservation in regard to every other State power. There is no list of subjects reserved to the States, because that was not necessary. All power remains with the States, except with regard to the thirty-nine transferred subjects. I challenge Senator Pearce to show that in the Constitution there is a reservation to the States of power in respect to mines which is not also a reservation in respect of the right to carry on the business of manufacturing or distributing. If it is constitutional for the Federation to carry on manufactures, it is also constitutional for the Federation to interfere with the management of mines, for the power which secured to the States their original rights over mining and such matters is exactly the same as the power which secures to them the right they originally had of entering upon trade and commerce in all its various forms. In dealing with this aspect of the question, Senator Pearce seemed to find some little comfort from the quite imaginary difference between the possession of a power by a State and the exercise of the power by the State. Speaking of manufacturing, he said—

This is a domain that has not been touched upon by the States authorities.

That is burking the whole question. Whether a State possesses a power or not is one thing; and whether it chooses to exercise the power or not is another thing. The honorable senator will see that the objection he takes—that the States have never exercised this power—could be taken against the Commonwealth to-day, with regard to many subjects upon which it has not yet legislated. It might be said that we have

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no power to deal with quarantine and light-houses, because we have not legislated regarding them. But that fact does not destroy our power in the slightest degree. It is still ours, and unquestionably we can legislate whenever we see fit. We are proceeding to deal with copyright, but we have not yet dealt with weights and measures, or with marriage and divorce, or with a variety of subjects. Will Senator Pearce, when a Bill is brought forward, contend that we have no right to deal with those subjects, because our powers, having been dormant, have ceased to exist? Yet that is exactly the point he raises with regard to the power of the States to carry on the manufacture of tobacco, or any other commodity. When he brought forward that remarkable statement, Senator Playford, with that point which always marks his interjections, said—

The States could manufacture tobacco and cigars.

Senator Pearce replied—

In taking over these powers we should not be interfering with any powers which the States have exercised.

He does not deny that the States possess the powers, but merely says that they have not exercised them. In other words, he contends, if his language means anything, that, because the powers have been allowed to lie dormant, therefore, the Federation can step in and take them. Nothing more destructive of the very basis of our Constitution than that was ever uttered, either inside or outside these walls. I think Senator Pearce began to recognise the extraordinary doctrine he was promulgating, because following the quotation I have just made, Senator Playford again returned to the charge with this question—

But we should be depriving the States of their right to manufacture tobacco and cigars which they have at present?

What was Senator Pearce's reply? He found the question too puzzling to answer, and, therefore, he brushed it aside, and proceeded to quote a statement from an author which had no reference to it. He ignored the unpleasant truth, which possibly was the wisest thing for him to do—and commenced his next sentence by saying, "There is a sentence from a writer on the United States Constitution, Ashley," which he proceeded to quote, and which had no reference to the very pertinent question put to him. In view of the fact that he retreated under the cover of silence from that question, he

must recognise that his position is absolutely untenable. Does he expect the Senate to appoint a Select Committee to consider the advisability of doing something, the unconstitutionality of which he is beginning to recognise? No matter how desirable it may be—if it were fifty thousand times more desirable than he contends it is—surely that is no justification for us to attempt to do that which the Constitution expressly forbids? One of the many errors in which the honorable senator fell was in affirming that this is a domain into which the States have not yet entered. That is absolutely incorrect. It is not a question of whether they have entered into the domain of the manufacture of tobacco, because that article is a mere incident in the situation. The point is, Have the States entered into the domain of manufacturing; and I affirm that they have. Victoria has brick-works, while New South Wales, in addition to clothing factories, has a dock, which is prepared to manufacture as well as repair vessels, for private persons as well as for the Government. These are proofs that the States have—modestly, it may be—entered into this domain. The facts I mention afford conclusive proof, if it were required, that, prior to Federation, the States had the right to carry on industry of any kind. The Constitution is absolutely silent as to its transfer, and, therefore, we may assume that the power still remains with the States. If the States have that power, it is evident that they may exercise it at any time with regard to not merely tobacco, but a variety of articles. Victoria has just started a brick factory. If Senator Pearce can prove that it is constitutional for the Commonwealth to start a tobacco factory, it must be equally constitutional for the Commonwealth to start a brick factory. He wants a monopoly in the manufacture of tobacco, and presumably he would want a monopoly in the manufacture of bricks. What is he going to do with Mr. Bent and the Victorian brick-works? It is quite evident that the very fact that those State brick-works are in existence demolishes at once the slightest pretence that can be advanced for the contention that the Federation has any power to carry on these industries. I shall admit that there is no specific prohibition against the Commonwealth carrying them on. But my answer to that objection is that no specific prohibition is necessary, for the simple reason that there is a general prohibition against the Commonwealth legislat-

ing on any subject outside the thirty-nine articles. Senator Pearce also said that not only was there no prohibition against the Federation undertaking this business, but that this question of industries was not specifically reserved to the States. It was not necessary to specifically reserve anything. All that was done was to specify the subjects of legislation which were transferred to Federal control. There was no need to specify other articles, because the residue of powers continued with the States, and amongst these was the right to carry on manufactures or industries of any kind. I pass to the rather ingenious contention which Senator Pearce founded on section 51 of the Constitution, which gives us power to legislate, amongst other things, with regard to old-age pensions. He argued that as we have power to legislate in regard to old-age pensions, we must necessarily have power to raise the money for their payment in any way we like. That is another of those extraordinary doctrines which could only have been formulated by a gentleman who was prepared to interpret anything as supporting the cause which he was advocating. It is quite true that the Federation has very wide powers of taxation, though they are not absolutely supreme, as is generally assumed. The Court has already taught us that there is a limit even to our powers of taxation. It is a limit in one direction only, but it still exists. It is useful to remember it, because no matter how desirable, in our opinion, it may be to go outside the Constitution, there is a power which will pull us within it again, and that is the Court. In proof of what I say, I remind honorable senators of the case, instituted by New South Wales against the Commonwealth, to test the point whether the Commonwealth could charge duties upon States' imports. It is a little matter, perhaps, but it shows that our powers of taxation are not absolutely unlimited; and it illustrates the danger of going outside the Constitution. Senator Pearce has made a great mistake by regarding all money, irrespective of the way in which it was raised, as taxation. He confuses taxation and profits—two very different things in the case of an individual, as they are in the case of a State. He quotes Professor Harrison Moore on the point. Here again I invite the attention of the Senate to the fact that the very authorities whom Senator Pearce quotes take the ground from beneath his feet, figuratively

speaking. Yet he seemed to draw some measure of comfort from them. Professor Harrison Moore said that —

An exercise of the taxation power occurs whenever a compulsory contribution of wealth is taken from a person, private or corporate, under authority of the public's powers.

I invite attention to those words. But Senator Pearce twists that statement of Professor Harrison Moore's into these words—that Professor Moore holds—

That the whole matter of the raising of money in any form by the Government is covered—

by the word "taxation." Professor Harrison Moore never said anything of the kind. He was not so stupid as to say that the whole matter of raising money in any form is covered by the word "taxation." What he did was to give a general definition of what taxation is. That is surely a widely different thing from saying that taxation means raising money in any way whatever. It is the very contrary. Professor Harrison Moore's definition of taxation absolutely excludes the idea of profit. Before passing from this aspect of the case, I should like to refer to other authorities quoted by Senator Pearce. In *Hansard*, he is reported as having quoted Judge Cooley. Judge Cooley was writing with regard to the Constitution of the United States. The words upon which Senator Pearce relied, and which I shall briefly quote, were Judge Cooley's comments upon the section of the American Constitution which corresponds with our own section. Judge Cooley said—

The import of the clause is that Congress shall have all the incidental and instrumental powers. To secure peace, order, and good government? Not a bit of it, but—

Congress shall have all the incidental and instrumental powers to carry into execution all the express powers.

It is a curious thing that Senator Pearce should have relied upon the authority of Judge Cooley, who expressed himself in such pellucid terms, showing clearly that we cannot strain the Constitution in order to draw to ourselves powers which the Constitution does not convey. Senator Pearce relied upon that authority for saying that the simple words "peace, order, and good government," give the right to legislate outside the thirty-nine powers expressly conveyed—the very thing which Judge Cooley set himself to show could not constitutionally be done. Says the Judge—

It neither enlarges any powers specifically given—

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Surely that is clear enough—

nor is it a grant of any new power to Congress. But it is merely a declaration for the removal of all uncertainty that the means for carrying into execution those otherwise granted powers are included in the grant.

That is an authority upon which I, as an opponent of Senator Pearce's motion, could rely. But the honorable senator seeks to widen the powers of the Constitution by quoting an authority as diametrically opposed to his opinion as Judge Cooley is. The same fatalistic course was apparently driving the honorable senator when he selected another author to support him. He quoted from Mr. Ashley. Mr. Ashley says—

No one in our day denies that the United States Government has a right to supplement the powers expressly stated in the Constitution.

If that were all, the authority quoted would have supported the honorable senator's contention. But Mr. Ashley goes on to use the words —

By such means as are reasonable and wise—

To do what?—

to carry out those powers.

Not one jot or tittle is added or can be added to powers expressly conveyed. All that is meant by the term "implied power," is that Parliament has and must have, by implication, the power necessary to give effect to the powers specifically conveyed in section 51. I must again draw attention to the state of the Senate. [*Quorum formed.*] It may be said that the fight is hopeless, as the Senate has made up its mind. I do not know, nor in one sense do I care, whether that is so or not; but I feel that in this matter, up to the last moment, it is my duty, and the duty of those who feel with me, to advance any argument which we think will influence a single vote with a view to prevent the Senate from making a regrettable mistake. For that reason, I wish to refer honorable senators to the information conveyed to us by Senator Playford, when he indicated the opinion given by his then colleague the Attorney-General, and by the Attorney-General of the Ministry preceding. It could not be contended that the opinions of the gentlemen to whom he referred were prejudiced by political considerations, or that there was any party influence at work. I would not suggest that gentlemen occupying the position of Attorney-General would allow themselves to be so influenced in giving their legal opinions. That considera-

tion makes their view all the stronger. Moreover, it was given at a time when there was no possibility of their being ever unconsciously biased. And, further, any influence that might have affected Mr. Deakin would have induced him to regard the proposition favorably; because his opinion was given with regard to a proposal which appealed to his colleagues, namely, the Iron Bonus Bill. Not even the bitterest enemy of the Deakin Government could say with fairness and truth that it was other than a friend of that measure. I think it is a fair assumption, judging from its general policy, that the Barton Government was, if anything, inclined rather to favour the course outlined by Senator Pearce, not with regard to this particular industry, but with regard to industries generally, than to oppose it. Now what did Mr. Deakin say? I shall not go through the whole of the long letter which he wrote, but I desire to invite the attention of honorable senators to the two or three more pertinent sentences contained in it, because they seem to me to sum up the position so accurately, and yet so forcibly, that I venture to say that they will stand with us for all time as an admirable and unchallengeable exposition of the powers which are ours by right, and also of the limitation placed upon those powers by the Constitution. Mr. Deakin's letter was written to Mr. Kingston, and I remind honorable senators that Mr. Kingston was at the time acting as President of the Bonus Commission, and had written to Mr. Deakin, as Attorney-General, to know whether or not it was competent for the Federation to carry on an industry, such as the manufacture of iron. Of course, the proposition here is the manufacture of tobacco, but it will be obvious to anybody that whatever limitation there is with regard to the manufacture of iron must be a limitation or prohibition against the manufacture of any other article. Therefore, the principles laid down here apply with equal force and validity to the proposition now before the Senate. Mr. Deakin wrote—

Dear Mr. Kingston,

You ask for my opinion for the information of the Bonus Commission as to the powers, if any, of the Commonwealth to establish iron works.

In my opinion no such power is included in the express gift of legislative power to the Federal Parliament.

The trade and commerce power, vast though it is, does not appear to extend to production and manufacture—which are not commerce.

I interrupt the quotation here, to say that Senator Pearce laid great stress on the trade and commerce sub-section. The honorable senator seemed to think that, under it, because the United States of America could build railways, we could manufacture tobacco. He quite overlooked the vast difference between trade and commerce and manufacture. Mr. Deakin points it out in the next line of his letter. He says—

Commerce only begins where production and manufacture end.

He quotes here a legal decision in the case of *Kidd v. Pearson*, a United States case; but, without referring to these authorities, honorable senators will recognise at once that crisp distinction drawn by Mr. Deakin.

Senator GIVENS.—Is there not often exchange between production and final manufacture?

Senator MILLEN.—Undoubtedly, but that does not affect the principle. It is a curious thing that Senator Pearce, who made a great deal of research in this matter, and who went to *Webster* for a definition of "commerce," did not also go to *Webster* for a definition of "manufacture." If the honorable senator had done so, he would have seen what Mr. Deakin so admirably points out, that, while the trade and commerce section carries us to the point of commerce, the commerce only begins where production and manufacture end.

Senator STEWART.—We can sell boots, but we cannot make them; is that it?

Senator MILLEN.—No.

Senator GIVENS.—That is commerce.

Senator MILLEN.—It is commerce, but I am not saying that we have the right to sell boots. The whole of our powers are limited in this way: If the States had the right to sell boots before Federation was accomplished—and they had—then unless honorable senators can show that the power to make and sell boots or to make and sell articles, which the States might prior to Federation make and sell, has been conveyed by the Constitution to the Commonwealth, that power still rests with the States.

Senator STEWART.—Could we not make boots for our own use?

Senator MILLEN.—Possibly we could, just as we could make arms or ammunition for ourselves, as the power to do that is necessary to carry out the power with respect to defence expressly given to us under the Constitution.

Senator MATHESON.—That power is not necessary, because we can buy those things.

Senator MILLEN. — The honorable senator could not have caught what I said. I did not say that it was necessary that we should make those articles.

Senator MATHESON. — The honorable senator said that power was necessary to carry out the power with respect to defence given by the Constitution.

Senator MILLEN. — I said that the power to make arms and ammunition is a necessary power co-incident with the power given with respect to defence.

Senator MATHESON.—And I contend that it is not necessary, because we can purchase those things.

Senator MILLEN.—Does the honorable senator admit that, as a Commonwealth, we can manufacture arms or ammunition?

Senator MATHESON.—Yes, but at the present moment it is not necessary or expedient.

Senator MILLEN.—I will leave it at that, if the honorable senator recognises that in certain circumstances it might become absolutely necessary for the Commonwealth to manufacture arms and ammunition.

Senator DOBSON.—The power with respect to defence is given to the Commonwealth exclusively.

Senator MATHESON.—But not the power to manufacture firearms.

Senator MILLEN. — Do I understand Senator Matheson to contend that the Federal Government have not the power to manufacture firearms?

Senator MATHESON.—On the contrary, I contend that the power to manufacture firearms is identical with the power to manufacture tobacco.

Senator MILLEN. — Will the honorable senator tell me under which of the thirty-nine articles in section 51 of the Constitution the power to manufacture tobacco, previously enjoyed by the States, has been transferred to the Commonwealth?

Senator MATHESON.—Will Senator Mil- len say which sub-section transfers to the Commonwealth the right to manufacture guns?

Senator MILLEN.—Are we not given power with respect to defence?

Senator MATHESON.—Undoubtedly; but the other power is not a necessary *sequitur*.

Senator DOBSON.—Every decision in the United States shows that it is.

Senator MATHESON.—That has nothing to do with us.

Senator DOBSON.—Our Constitution is built on that of the United States.

Senator MILLEN.—It is curious to have one honorable senator quoting from the United States Constitution, and supporting the contention with respect to decisions under that Constitution, and another honorable senator saying that the United States Constitution has nothing whatever to do with us. I am astonished to hear any one who knows anything about the Constitution, and who must know that its fundamental principles are identical with those underlying the Constitution of the United States, saying that decisions given in the United States as to the interpretation of the Constitution of that country have no bearing, or throw no light, on the working of our own. It is to me deplorable—

Senator STYLES.—It is.

Senator MILLEN.—I do not even except Senator Styles, who ought to know better. It is to me deplorable that honorable senators should give expression to utterances of that kind, which, honestly speaking, I think they would scout in their sober moments. Mr. Deakin in his letter goes on to say something which has a bearing on Senator Matheson's interjection. I have no wish to quote the whole of the letter, but honorable senators will see the application this has to the point with which I am dealing. Mr. Deakin goes on to say—

The manufacture of iron may be incidental to the execution of many such powers, *e.g.*, defence or the construction of railways. The Commonwealth might clearly undertake the manufacture of any goods for its own use; and probably if it did so, and it were incidentally advantageous to the interests of the economical working of the undertaking that it should also manufacture for other consumers, such manufacture would also come within its implied powers. Except as above, it does not appear that any power to establish and conduct manufactures can be implied from the Constitution.

I say that these remarks of Mr. Deakin are going to stand side by side with the decisions of Judge Cooley and other eminent American authorities that I have quoted, for the benefit of those whose duty it will be later on to interpret the Constitution. These opinions are absolutely sound and absolutely clear, and they were given in circumstances which show that the author of them was free from any consideration due to any party or public crisis, and was

in a position to judge on the points submitted to him coolly and impartially, and entirely upon the wording of the Constitution itself. Mr. Deakin is not alone. We have another opinion from his successor as Attorney-General, a much shorter one, and so short that I may as well read it. He states—

You ask me—Has the Commonwealth power to establish the manufacture of tobacco, cigars, and cigarettes, close all present establishments, and prevent private persons in future manufacturing of such articles.

This question appears to me to be governed, with the exception mentioned below, by the opinion given by Mr. Deakin on the 18th July, 1903, to Mr. Kingston, President of the Royal Commission on the Bonuses for Manufactures Bill in connexion with the establishment of iron works by the Commonwealth. The text of that opinion is printed at page 184 of the report of the Commission.

That is the opinion with which I have already dealt—

With that opinion I entirely agree. The only difference between the iron industry and the tobacco industry, so far as regards the principles there laid down, seems to be that it is not easy to conceive how the manufacture of tobacco, cigars, and cigarettes can be incidental to the execution of any of the express legislative powers of the Commonwealth.

With regard to the manufacture of iron, I quoted the portion of Mr. Deakin's opinion which gives, if any can give, a colouring to the contention of the supporters of this motion. I did that in all fairness, but this opinion of the later Attorney-General makes it quite clear that, while incidentally it might be held that the manufacture of iron was necessary to the proper exercise of the power with respect to defence conferred by the Constitution on the Commonwealth, it is not possible, by the hugest stretch of imagination, to suppose that the power to manufacture and sell cigars is necessary to the carrying out of any of the powers expressly conveyed to the Commonwealth under section 51.

Senator PLAYFORD.—Who gave the last opinion which the honorable senator quoted?

Senator MILLEN.—It was given by Senator Drake, when Attorney-General, and it was given expressly in connexion with the original motion on this subject submitted by Senator Pearce. I stated just now that it was a great pity that Senator Pearce, when devoting so much time to hunting up authorities which suited his purpose, or which he thought did so, did

not consult *Webster's Dictionary* for a definition of the word "manufacture," as well as of the word "commerce." I now draw attention to the distinction which Mr. Deakin made, in other words but with equal suggestiveness. It is interesting to compare *Webster's Dictionary* interpretation with that of Mr. Deakin. *Webster's Dictionary*, as quoted by Senator Pearce, defines "trade" as—"Specifically: The act or business of exchanging commodities by barter, or by buying and selling for money; commerce; traffic; barter." *Webster's* definition of "manufacture" is—"The operation of making wares, or any product by hand, by machinery, or by other agency." Had Senator Pearce turned from "trade" and "commerce" to the word "manufacture," he would have seen at once that "trade" and "commerce" do not include the same subjects, or the same acts, that are covered by the word "manufacture." The honorable senator would have been able to understand more clearly than he now apparently does, what Mr. Deakin meant when he said—"Commerce only begins when production and manufacture end."

Senator STEWART.—The honorable senator surely does not agree with that?

Senator MILLEN.—I must agree with the authorities which Senator Pearce quoted, and the definitions I give are those to be found in *Webster's Dictionary*.

Senator STEWART.—Webster is dead.

Senator MILLEN.—There are honorable senators here—iconoclasts in their way—who refuse to accept any authority—who tell us very candidly that, while they submit to reason, they will not bow the neck to mere authority. On occasions, however, when it suits, those honorable senators appeal to authority; and Senator Pearce, in this connexion, relies on *Webster*, though when I turn to the same authority, a colleague of Senator Pearce asks in other words—"Who pays any attention to *Webster*?" The authorities quoted by those honorable senators appear to be like nine pins—set up only to be knocked out as it suits the players. If the honorable senators are happy in that proceeding, I do not suppose it hurts *Webster*, and I very much doubt if it hurts even Mr. Deakin, who is not yet dead, and, I hope, will not be dead for very many years. Bearing on the sharp distinction set out by both *Webster* and Mr. Deakin between trade and commerce and manufacture,

it is interesting to note that Webster gives a list of the synonyms of the word "commerce." The synonyms set out are "trade, traffic, dealings, intercourse, interchange, communion, communication." In no way is "manufacture" suggested as a synonym. I have looked into this matter as thoroughly and impartially as I can, and I feel bound to say, I have not yet met a single argument which disposes of the contention supported by Webster, and the legal and other authorities quoted by Senator Pearce, that the trade and commerce section of our Constitution cannot be held to cover the manufacture, sale, and distribution of goods. I have already said that I am in sympathy with the first two clauses of the motion, with the slight alteration I have suggested. But I ask honorable senators, if they are at all impressed with my argument, whether they think there is reason in the assertion that the creation of a Commonwealth tobacco monopoly would be constitutional? I ask honorable senators to refrain from appointing a Select Committee to inquire into a matter concerning which we have no earthly business. To do so would be to proclaim to the Commonwealth that we know absolutely nothing of the provisions of the Constitution—would invite ridicule, and justly so, from any student of constitutional history, and bring down on us the just condemnation of the press.

Senator GIVENS.—Especially of the free-trade press of Sydney.

Senator MILLEN.—I do not know that the free-trade press of Sydney would condemn the proposal more than would the journals which sometimes venture to kick the honorable senator, and at other times to pat him on the back. To me it is immaterial what the free-trade press says. What I am concerned about is whether my arguments are sound, or whether it can be shown that there is power to do what Senator Pearce desires. Even Senator Pearce expresses a doubt as to whether we have the constitutional power to create such a monopoly; and when the author and father of this doubtful infant takes up that position, surely it is time for honorable senators to call a halt, and to determine, before proceeding further, whether or not the contentions which I have advanced, as to the constitutionality of the proposal, are correct. For the present, I pass from the constitutional aspect of the question, with a

view to saying a word or two as to the existence of the alleged monopoly.

Senator GIVENS.—I thought the honorable senator was going to call a halt.

Senator MILLEN.—When I have convinced a sufficient number of honorable senators of the error of their way, I may be justified in calling a halt. I propose now to deal briefly with the alleged existence of a monopoly and with the methods, operations, and possible effects of trusts on industry. Then I propose to deal with the possibility of our controlling a monopoly by legislation, and to make a suggestion or two as to the means we should take for dealing with trusts in general. We may fairly take it that there is sufficient evidence to justify the assertion that a combination of some kind exists. Knowing what we do of the history of trusts and combines elsewhere, it is only sound common-sense and good public policy to take the earliest opportunity to study the growth of trusts in Australia in their very inception. It would be foolish to wait until trusts were thoroughly established before we inquired into their operations and ramifications. No doubt a combine of some sort exists, but that it is not so pernicious or injurious as represented by Senator Pearce, I am willing to believe. It is inconceivable, in these days when ideas travel so rapidly from one part of the world to another, that trusts should not seek to raise their heads in Australia. It is, therefore, desirable, though not merely with regard to the tobacco industry, that we should make ourselves familiar with the methods and machinery employed, in order that we may know what particular form of legislation is necessary to curb and regulate trusts.

Senator DOBSON.—Has the honorable senator any authority to cite as to what power we have to control trusts?

Senator MILLEN.—I think that the section of the Constitution relating to trade and commerce gives us the power we require. A combination, if it exists for any purpose, exists, more or less, for the restriction of trade, and the power of the Federation to legislate for the removal of restriction is, I think, undoubted. I mistrust trusts and dislike monopolies as much as anybody does. I have been an opponent of monopolies all my life; at any rate, ever since I was old enough to understand what they meant. It is a matter of great pleasure to me to find that at last Senator Pearce is coming to my way of thinking in



his abhorrence of monopolies. It is not always, when one has been battling for years in opposition to a pernicious doctrine, that one is cheered with the prospect of recruits from the other side. I hail with satisfaction the evident conversion of Senator Pearce, and, I presume, many of his followers.

Senator GIVENS.—When did the honorable senator initiate a crusade against trusts?

Senator MILLEN.—I never claimed to initiate the crusade, and the honorable senator is quite mistaken.

Senator GIVENS.—Then the honorable senator worked only in the ruck behind.

Senator MILLEN.—If the honorable senator means that I was only a member of the rank and file, he is perfectly right; I never claimed, like himself, to be a born leader of men—into mischief. It is not just to the parties who may be concerned in the "combine," or advantageous to the cause of those who seek for an inquiry into its operations, to overstate the case in any way. It might be useful for the purposes of platform work to draw a graphic picture of imaginary evils, but in a purely deliberative body like the Senate it weakens the case if statements are made without foundation. I wish to deal now with the question whether, if it was constitutionally possible for us to engage in this industry, it would be desirable to do so. I do not propose to go through the list of figures which Senator Pearce has presented, because in the first place it would be unprofitable, as their author admits that they are largely estimates. As they are estimates dealing with enormous operations, and made by one who, I do not think, will claim special opportunities for acquiring information, they are necessarily loose. I do not mean that the honorable senator has purposely put forward figures knowing them to be wrong, or doubting their accuracy. But I submit that it is utterly impossible for any one without special facilities for obtaining actual data to submit a balance-sheet, as Senator Pearce has attempted to do, which would be of any value in guiding the Senate to a decision. I wish to justify my act in challenging the figures by reference to one or two of them. If I can show, as I think I can, that the honorable senator has grievously erred in some particulars, it will justify my invitation to the Senate to discard altogether the financial result which

he worked out. First of all, let me take the percentage which he allows for the cost of distribution. The figures he put forward were, presumably, intended to show the cost of purchase and manufacture of the article, assuming it to be a State monopoly, and the profit to the Commonwealth after disposing of the product. Senator Pearce allowed 15 per cent. for the cost of distribution, but I venture to say that the cost of distributing tobacco, sold ultimately, as it is, in small parcels, approaches more nearly to 35 than to 15 per cent. That may seem a somewhat startling statement, but I shall attempt to justify it. I do not claim any more than Senator Pearce claims, to have any special channels of information, but I base that statement on an experience which is common to myself, and probably to many honorable senators. Frequently, not only for myself, but for a property to which I send rations and supplies three or four times a year, I purchase "Capstan" tobacco at 6s. and 6s. 6d. per lb. from the merchants. The retail price in the shops is 8s. a lb., or 6d. an oz. Discarding the 6s. tobacco, let me take the 6s. 6d. tobacco, and compare it with the 8s. tobacco. What the merchant sells at 6s. 6d., the retailer vendes at 8s., so that the retailer charges  $22\frac{1}{2}$  per cent. on the wholesale price. But the merchant does not handle the tobacco for nothing. If he purchases, as he does, from the manufacturer, he gets a profit in some way or other. The usual rule, I believe, is to sell at a set price, allowing a rebate. I estimate that in this case the price to the merchant is the price at which he sells, that is, 6s. 6d. a lb., minus a discount. What that discount is I have no means of knowing, but I do not think that the merchants of Australia operate on a less turnover in these matters than 5 per cent. The  $22\frac{1}{2}$  per cent. which is added to the merchant's price, and which is 50 per cent. more than Senator Pearce's estimate, is only the first item in the real cost of distribution. To that percentage I add my estimate of 5 per cent. for the merchant's profit, bringing the cost of distribution up to  $27\frac{1}{2}$  per cent. But before it reaches the merchant there is an expenditure which has to come under the head of distribution, and that is the cost of freights. Made anywhere you like, the great bulk of tobacco, or any other manufactured article, has to pay for carriage by road, or by railway, or by water, probably all three, before

it reaches the final point of distribution. It is impossible to estimate what the cost of carriage is, but it is one which honorable senators will see must considerably load the cost of distribution. I do not pretend to know what it is but there it is. To the 27½ I mentioned has to be added railway freights, plus bad debts and advertisements. When these factors are brought together, it will be found that the cost of distribution, instead of being 15 per cent., will approach very nearly to 35 or 40 per cent. I mention that fact to show the unreliability of the figures, which, no doubt in all good faith, Senator Pearce has submitted. It will be seen at once that if his estimate of the enormous profit which the Federation is to make out of the monopoly—£2,000,000—is built up in the same loose way, it will be a very dangerous one for the Senate to accept. Let us take another set of figures. He spoke of the profits from the industry as being £2,000,000. Senator Playford very shrewdly discounted that statement by quoting the evidence given by an expert in the business, who prepared a statement for presentation to the Victorian Committee on the monopoly in the manufacture of tobacco. The very fact that the State Parliament did appoint a Committee to consider that question confirms all I said as to the power to manufacture tobacco being a State right. I would ask any one who is genuinely desirous of arriving at the kernel of this matter to study the report of that Committee, and the evidence, particularly that which was given by Mr. Bruford. He showed that the selling-price in Victoria was 4s. 7d. for the best, and 3s. 6d. for the lower-grade tobacco. Let us compare those figures with Senator Pearce's average selling-price of 6s. per lb., the price on which he built up the profit of £2,000,000.

Senator GIVENS.—That expert was altogether wrong, because I have bought tobacco in every capital in Australia, and I have never got the best tobacco at 4s. 7d. a lb., or anything like that sum.

Senator MILLEN.—The honorable senator overlooks the fact that he buys his tobacco in a retail store.

Senator PEARCE.—But the honorable senator mentioned a case just now where he paid 6s. 6d. a lb.

Senator MILLEN.—Yes. For the tobacco I smoke I pay 8s. a lb., but for every lb. of the kind I smoke I send away

20 lbs. for which I pay 4s. 3d. or 4s. 6d. a lb.

Senator PEARCE.—The honorable senator said just now that he paid 6s. 6d. a lb.

Senator MILLEN.—Does the honorable senator insinuate that I told an untruth?

Senator PEARCE.—No; I wished to point out the inconsistency of the honorable senator.

Senator MILLEN.—I can buy Welcome Nugget tobacco from any merchant in Sydney at 6s. a lb., and the honorable senator knows what he pays for that tobacco in a store—6d. an oz. The honorable senator has built up his estimate of profit by taking the selling-price at 6s. a lb., and the cost of distribution at 15 per cent. But Mr. Bruford estimated that the profit to Victoria would have been £55,000 a year. Senator Playford showed that that was equivalent to a profit of £200,000 for the whole Commonwealth, or just one-tenth of Senator Pearce's estimate. In view of two or three figures I have given, I am absolutely justified in saying that not only is there nothing in his figures to suggest that we should accept them for our guidance, but we ought to regard them as suspicious, not because of any want of good faith on his part, but because they have been compiled loosely on what can only be described as largely guesses. The honorable senator made another error, and for this one I can find less excuse. He said that France made a profit of £15,000,000 a year out of this business, but at almost the same moment he stated that the population of France was 40,000,000, that the consumption was 2 lbs. of tobacco per head, or 80,000,000 lbs. per year, that the cost of manufacture was 9d. a lb., and the selling price 3s. 10d. a lb., leaving France a profit of 3s. 1d. If honorable senators will take the trouble to work out these figures they will see the error into which Senator Pearce has fallen.

Senator PEARCE.—All of which figures, the honorable senator might say, were taken from the report of the very Committee which he has been quoting.

Senator MILLEN.—I accept the figures, but I wish to show where the honorable senator's mistake occurred.

Senator PEARCE.—They were not the only figures as to France that I quoted.

Senator MILLEN.—I cannot deal with them all at once.

Senator PEARCE.—I thought that the honorable senator did not intend to quote the others?

Senator MILLEN.—The figures which the honorable senator gave only required checking to prove that one set or the other must be wrong. It is the duty of every honorable senator who intends to quote figures here to take the trouble to work them out, and see that they are correct. But the honorable senator has affirmed that France makes a profit of £15,000,000 a year out of this business. Had he worked out the figures on the basis of 40,000,000 of people consuming 80,000,000 lbs. of tobacco per annum, sold at the rate of 3s. 10d. a lb., and upon which France makes a profit of 3s. 1d., he would have found that instead of the profit being £15,000,000, it was £13,000,000.

Senator PEARCE.—Does the honorable senator know that, as a matter of fact, £15,000,000 is the sum which is usually obtained?

Senator MILLEN.—The figures contradict the assertion.

Senator PEARCE.—Will the honorable senator say that France does not make a profit of £15,000,000?

Senator MILLEN.—She does not. The figures which I have taken from the official journal show that France has not made that profit.

Senator PEARCE.—Does the honorable senator deny that that is the average?

Senator MILLEN.—Yes, I do.

Senator PEARCE.—What was the profit made in France last year?

Senator MILLEN.—I think I can tell the honorable senator.

Senator DOBSON.—How much does England make from Customs and Excise on tobacco?

Senator PEARCE.—She only makes £10,000,000 a year.

Senator MILLEN.—That is another inaccuracy. The official figures show that Great Britain, in 1901, obtained a revenue from tobacco of £12,813,578. In 1903, the revenue was £12,451,000, and in 1904, the last year for which I have official figures, the revenue was £12,627,000.

Senator PEARCE.—The honorable senator will admit that there was a war tax in those years.

Senator MILLEN.—The honorable senator jumps about all over the place. He now says that there was a war tax.

Senator PEARCE.—I took the average.

Senator MILLEN.—Which merely proves that you can, by adjustment, get, through Customs and Excise, from tobacco, nearly

as much as the profit which France makes, in proportion to population. But what I wish to point out is this: The honorable senator put before the Senate a statement that France made a profit of £15,000,000, and that England obtained a revenue of £10,000,000. What is the position? I have shown, from the figures, that France does not make £15,000,000, and that England makes more than £10,000,000.

Senator PEARCE.—France received £16,000,000 last year.

Senator MILLEN.—The official figures for last year, 1904, were a trifle over £13,000,000.

Senator PEARCE.—That is not correct. The amount was £16,000,000 last year.

Senator MILLEN.—I will undertake to produce the official statement of the returns for the year 1904. But I come back to the point—why did not the honorable senator check his figures and ascertain where the error was?

Senator PEARCE.—Did the honorable senator check Mr. Bruford's figures?

Senator MILLEN.—There was nothing to check. I have simply taken his estimates.

Senator PEARCE.—Did the honorable senator check his figures as to the retail price?

Senator MILLEN.—No, because they come within my own knowledge.

Senator PEARCE.—He gave them because it suited his case.

Senator MILLEN.—The whole of the case of the honorable senator reeked with picked information. He even tried to twist and turn the constitutional authorities. In dealing with these figures, I have perhaps been led into the display of a little temporary warmth, but I can appeal to the Senate as to whether I did not approach the subject in all coolness and moderation, with a desire to ascertain how far the figures might be taken as an indication of whether or not the nationalization of the tobacco industry would be profitable. It is in that spirit that I shall continue the inquiry. Looking into this matter, quite apart from its effect upon the revenue of the country, it is not at all unreasonable to ask how it will affect both the people who manufacture tobacco and those who consume it. When Senator Pearce referred to the enormous profits made by France, it would only have been reasonable to tell us something about the wages paid. The cost of the tobacco, he has told us, is 9d. per lb. It is sold at 3s. 10d. per lb. I ask

honorable senators to bear those figures in mind. The explanation is the rate of wages paid to the employes in the State factories. France, in 1902, employed 14,942 women, and the average wage was 3s. 3d. a day of ten hours. In the same year that she employed nearly 15,000 women she employed 1,746 men.

Senator PEARCE.—I suppose the honorable senator is aware that I took into consideration the difference in wages?

Senator MILLEN.—I think the honorable senator made an ample allowance. But when the big profit made by France is pointed out, it is only reasonable to recognise the low wages paid which enable her to obtain such a return.

Senator DOBSON.—If France paid reasonable wages it would probably bring the profit down lower than the amount which England gets from tobacco through Customs and Excise.

Senator MILLEN.—It would bring it down to considerably less.

Senator PEARCE.—I allowed a considerably larger amount for the cost of manufacture than the actual cost in France.

Senator MILLEN.—I know the honorable senator did. I do not know whether there is anything in the figures as to the persons employed in France which will appeal to the Senate. We quite recognise that in the altered conditions of society, female labour is becoming more general. Not only is that so because the conditions of society demand it, but also to a large extent because women themselves are seeking for opportunities in business to a greater extent than they did a few years ago. But, at the same time, I am not at all keen to see established, especially under the authority of Parliament, industries which in another country are employing 15,000 women to fewer than 2,000 men. In Austria the position is even worse. In the year 1902, Austria employed 36,000 females at the munificent wage of 10s. per week of fifty-two hours. She employed at the same time 4,377 men. That is, she employed one man to nine women. The men were employed at wages of 11s. 2d. a week of fifty-two hours. These figures are exclusive of boys and girls who, in the official statistics, are grouped under the head of apprentices. When we are invited to consider the profit which Austria makes as the result of the State ownership of the tobacco monopoly, it is not only fair, but essential, to bear in mind that she is making those profits as

a result of the labour of 36,000 women at 10s. a week, and of 4,377 men who receive 11s. 2d. per week of fifty-two hours. It is easy to make profits when men and women are employed on terms of that kind. Now, I wish to summarize what I have just said by asking this question: Who is to benefit from the nationalization of the tobacco industry? It is not at all clear that the revenue would benefit. The difference between the sum which England receives from taxation on tobacco through the Customs, and the revenue which France collects, is not, after all, very large. It may be that France does receive considerably more than England, but that is not material. What we have to consider is this: That it would be competent for England, as it is for us, to raise additional revenue through the Customs from tobacco if we wished to do so. Further, there is this aspect of the question to consider. Is it conceivable that if an industry of this kind were in national hands we should make the enormous profit that Senator Pearce predicts? Is it at all reasonable to suppose that the employes would refrain from asking for the highest wages that we could possibly pay them? One of the main arguments of our Socialist friends is that a nation ought not to carry on business for profit, but for use. The very purpose of the nationalization of the industry is that the workmen may have better conditions and better pay, and that the consumer may get a better and a cheaper article.

Senator DOBSON.—The workmen would want to divide all the profits between them.

Senator MILLEN.—I think I shall be able to show that they would get all the profits. It is inevitable that if this industry is nationalized the large body of public servants employed in it would naturally present demands for more liberality in their remuneration. That would be the first inroad made upon the profits. And when we consider the small difference between the revenue from the industry and the profits derived from it in England and France, respectively, it is not an unfair assertion that Australia, from the mere stand-point of revenue, may serve her needs with greater safety and more elasticity—certainly with more certainty—by means of Customs and Excise duties, than she could ever hope to do by becoming a manufacturer and distributor of tobacco. The next point to consider is whether the employes would benefit—whether their conditions, under a State

monopoly, would be better than they are to-day. I have shown that their position in France and Austria is not enviable. It is quite evident then that the mere nationalization of an industry will not of itself secure reasonable remuneration for the employes in that industry. If it is sought to nationalize this industry in the interest of the employes, I point out that their interest can be conserved very much better, and without jeopardizing the interest of the consumer, by means of wages boards and arbitration courts. It is not very long since the members of the party advocating this proposal for the nationalization of the tobacco industry were advocating wages boards and Arbitration Acts. Before these measures have been in operation sufficiently long to enable us to say by experience what their ultimate effect is to be, we find an absolute attempt made to get away from them. I say that if the members of this party had the faith in those measures which they professed when they advocated that they should be placed on the statute-book, they should admit that the position of the employes in this industry, under private employment, is or can be sufficiently safeguarded. Now as to the third party to the contract, the consumer. Here I compliment Senator Pearce on his charming candour. The honorable senator makes no pretence with respect to the fact that he does not intend any benefit to the consumer. He says—

I have no objection to people paying a high price for tobacco and cigars.

One does not need to be informed whether the person who makes such an observation is a smoker. No one who does smoke would view this phase of the question as one to be so easily disposed of. It is pleasant to know that the author of this proposal does not contemplate the slightest reduction in the price of tobacco to smokers. It is not the honorable senator's intention that they should get any benefit from the nationalization of this industry. Not only is there the sentence I have quoted to prove Senator Pearce's mind on this matter, but in the figures to which I have made reference the honorable senator proceeds on the assumption that, under a Federal monopoly of the industry, the consumer will pay 6s. per lb., which is exactly the price which he admits the consumer has to pay to-day. It is quite clear that Senator Pearce does not contemplate that the consumer is to get any benefit from this transfer of the business from private to public hands. It is

also obvious that if he did contemplate any reduction in price as the result of giving effect to this proposal, he would have to lower his estimates, based on 6s. per lb. as the selling value, and his estimate of profit from the industry would be correspondingly reduced. It is as well that the great body of the people of this country who do smoke should quite understand that the whole of the benefits of this industry, when nationalized, are to be devoted, not to the revenue, or only partially to the revenue, and certainly not to the consumer. There is only one other channel, then, into which they can go. I am not at this stage quarrelling with or wishing to discuss the propriety of diverting the benefits of this industry into any particular channel, but I merely wish to point it out and emphasize it. An additional light, however, is thrown on the subject of the nationalization of industries by the proposal that is here made, because it will be seen that the first effort we have made to socialize an industry is introduced with a statement that it is not intended that the consumer shall get any benefit from the change.

Senator DOBSON.—How many qualities of tobacco will he have to choose from?

Senator MILLEN.—There would be no quality, but I will come to that point directly.

Senator PLAYFORD.—There is not much quality in France or in Italy.

Senator MILLEN.—I have pointed out that the consumer is not to get any benefit, and the benefit to the State is doubtful. I should like here to make a short quotation to show what Mr. Bruford has to say on this point—

Under these circumstances it would be necessary to administer the tobacco monopoly in the interests of growers and makers.

A literal confirmation of the words I have been using.

In the hands of the State the administration could, without doubt, encourage local manufacture and culture. There is but one source from which to derive money, namely, the tax on the consumer, but the amount drawn can, according to the policy of the State in fixing prices for the sale of tobacco and the purchase of the leaf, be applied either to the assistance of the grower, to the State employes, or to the revenue; or it can be reduced in the interests of the consumer, or increased within certain limits to his detriment.

I think that is a very clear exposition of the case. He says that there is only one source from which we can obtain money to carry on the industry, and that is the consumer. Senator Pearce says that the consumer is not to get any benefit, and, there-

fore, so far as he is concerned, he would still have to pay a price which the honorable senator has spoken of as being excessive. The benefit is apparently to be divided between the State on the one hand, and the employes on the other. The honorable senator, of course, may contend, that the consumer is not at all injured, provided the price is not raised, and that, so long as he is charged no more than the price which he is charged to-day, he will have no cause to complain. I wish to direct the attention of the honorable senator to an interjection made during the recent debate. Senator Playford had been urging with regard to the combine that it had not raised the price, and, therefore, had not so far proved injurious to the consumer, when Senator McGregor interjected—

It might be injurious also if the price is not reduced as much as it ought to be.

If the existence of the combine is injurious because the price is not reduced as much as the circumstances of the trade will permit, surely that argument is equally potent when applied to the manufacturer of the article in the hands of the State? Whilst it might be admitted that Senator Pearce does not propose that more than 6s. per lb. should be charged for tobacco, I venture to say that, in the absence of any alteration of the Tariff, sooner or later, the consumer will be able to get tobacco at a lower price than that which now obtains, but under State control of the industry it is impossible that he can do so. In connexion with an interjection which Senator Pearce made just now as to the cost of tobacco and so on, I should like to point out that Mr. Bruford says—

The tobacco would therefore have to be sold to retailers at something over twice its cost price to realize the present revenue of £250,000 per year. This has reference to a statement I made just now when questioning Senator Pearce's estimate of £2,000,000. I wish to turn now to the effect which State control of the industry might have on the growth of tobacco. I admit at once that it is difficult to dogmatize on this question, as the growth of tobacco in Australia is not only surrounded with uncertainty as to its results, but with a great deal of contradiction in the statements made, and the experience of different individuals. Even in this debate we have had varying statements made—on the one hand that the grower of tobacco, owing to the action of the combine, can only get the miserable pittance of 4d. per lb. for his leaf; whilst on the same

page of *Hansard* I find that another honorable senator interjected that he knew of colonial tobacco being sold in London at 2s. per lb. Any one coming here without any knowledge enabling him to reconcile these statements, would be absolutely puzzled. If the combine is here, and is enabled by its operations to force growers of tobacco to accept less than the market value, and to beat them down to 4d. per lb. for a superior article, why is it that the people who can get 2s. per lb. in London are not also beaten down?

Senator STYLES.—Was that the price for Australian leaf in London?

Senator MILLEN.—I cannot say, but the interjection came from Senator de Largie, who stated that he knew of Australian tobacco being sold in London at 2s. per lb. It appears to me that it is idle to blame the combine in this matter. That, like all other business concerns, they have a keen eye to the main chance, I am quite prepared to believe. The one fact that stands out with more prominence than anything else, in a matter of this kind, is that we need not believe that tobacco manufacturers are philanthropists. I believe that they view every turn they take solely in the light of the entries in their bank pass-book. That being so, we are confronted with the position that on every pound of colonial tobacco which they purchase, they can make the difference between the Excise duty on the local article and the Customs duty on the imported article. That amounts to 1s. 6d. per lb., and I decline to believe that the combine would wilfully throw away the advantage to them of 1s. 6d. per lb. if the local article offered to them reasonably met their requirements. It is quite evident that they cannot import tobacco leaf from America at 4d. per lb.—the price which we are told they pay for the local article. If, therefore, they have to pay a much higher price—and I think I am probably safe in saying that the cost of the imported leaf averages from 8d. to 10d. per lb.—and they can buy local leaf at 4d. per lb., it is obvious that they will make from 4d. to 6d. per lb. on every pound of colonial leaf they can work into their manufactured tobacco. The fact that they do not work in more local leaf is, to my mind, sufficient evidence that the locally-grown article lacks quality. That, I venture to say, is the experience of any one who has any knowledge of smoking. Whether we can lift the tobacco-growing

industry on to a better footing or not, I hesitate to express an opinion. I hope it can be done. We have already sufficient knowledge that in limited areas in Australia we can grow excellent tobacco leaf, but whether, in view of the peculiar climatic conditions and the uncertainty of the seasons, Australia will ever become an extensive grower of tobacco, is a matter on which I hesitate, as I believe other honorable senators will do, to arrive at any final conclusion. We cannot shut our eyes to the fact that very many systematic and strenuous efforts, supported by considerable sums of capital, have been made to grow tobacco leaf in Australia, and so far, I regret to say, that no tangible result has been achieved by the expenditure to which I have referred. I have pointed out that Senator Pearce is prepared to accept my suggestion, that it is advisable to extend the scope of the proposed inquiry to cover the growth of tobacco. If this Select Committee has any useful work at all to perform, I venture to say it will be in the direction of throwing some light on the conditions under which tobacco is grown, and in endeavouring to arrive at some evidence from practical and impartial persons as to the steps which ought to be taken to improve the condition of the growers. New South Wales, and I believe also Queensland, have employed experts from America. These experts have gone amongst the tobacco-growers and endeavoured to teach them to improve their modes of cultivation, but, up to date, the results are disappointing. It may be that the Committee, extending its investigations over more than one State, may discover the source of the trouble, and be enabled, as a result, to indicate a remedy. But one of the dangers of monopolizing the manufacture of tobacco, while we are, at the same time, endeavouring to encourage the growth of the leaf, is that, possibly, interests will come into conflict—that the interests of the growers and the interests of the State tobacco manufacturer may not tally. We should then be in the position that a claim could be made on the Government, in the interests of the growers, to receive tobacco held to be inferior, and thus, instead of inspiring the grower to produce a superior article, the latter would be induced to rest content with an inferior product, in the certain knowledge that the only buyer would be obliged to take it. Hon-

orable senators must see that, at the present time, under the financial sections of the Constitution, we must, until 1911, return to the States a specified proportion of revenue. But for that proposal, a very large proportion of the revenue of the States would be absolutely at the disposal of the Commonwealth, and the States would be short to that extent. I do not mean to say that this, in itself, represents an insurmountable difficulty, but it is one of the problems associated with the transfer of the industry from private hands to public hands at the present juncture. If ever the system be adopted—and I do not think that likely, in view of the constitutional difficulties—it would be extremely undesirable, and unfair to the States, if any effort were made to effect the change until at least the financial relationships between the States and the Federation have been put on a clearer and more permanent basis. I now pass to a question of which we have heard a great deal lately, namely, the operations of this alleged combine. Before doing so, however, I should like to point out that the motion leaves me in some little doubt as to whether or not, in any proposal to transfer the industry to the Commonwealth, importation will be allowed to continue. If importation is allowed, further complications may arise with regard to the growers. There will always be a conflict between, on the one hand, consumers who wish for particular brands of tobacco and cigars, and, on the other hand, the growers, who wish to sell their increased crops every year to the national factory. At the present time, there is no difficulty, because the manufacturer and the merchant look after the requirements of their customers. If we have a national monopoly, I can quite conceive that the growing claim of the growers to have their increased products taken by the Government will sooner or later come into collision with the strong demand of consumers for certain brands of tobacco. When that takes place, all I can say, as one of the great army of consumers, is that I am afraid the consumers will suffer. A popular cry will be raised in this connexion; and, as probably a large number of people will be induced to go into the industry, there will be no market but the national factory for the crops. The grower will then say to the Government, "You have shut out all other people, and you are the only buyer; and the least you can do is to take the product, irrespective of the fact whether the crop be

great or small." Under such circumstances, is it reasonable to suppose that the national factory, with enormous stocks, is likely to look very kindly on any project for importation? If this industry is once nationalized, it will simply mean that Australians will have to limit themselves to locally-grown tobacco; and those who have acquired a taste for other, and, I think, better brands, will be placed in the position of having to take the Government tobacco or give up the habit.

Senator STYLES.—Does the honorable senator not think that if tobacco were grown in large quantities, the quality would be much improved?

Senator MILLEN.—I should hope it would, but I must say that so far as I can see there is something wanting in our climate, or our soil, or in the aptitude of our people for this particular cultivation.

Senator STYLES.—In Victoria the curing, and not the growing, has been the difficulty.

Senator MILLEN.—I include the curing in the growing, and I believe that the former is the weak spot. Curing is a process which apparently requires a lot of close attention to detail, and I suppose that, if the average Australian has one fault more than another, it is that he generally goes on the principle, "It is near enough." That principle does not do in the tobacco industry, which requires very close attention at all stages of the curing process.

Senator STYLES.—Has that sort of thing not been said about other industries—the sugar industry for example?

Senator MILLEN.—I do not know any industry in Australia which has been so long under experiment, and which has developed so little without being utterly abandoned. We have had industries started, which, after a few years, have been abandoned; and that might be taken as an indication of their unsuitability to the country. The tobacco industry, however, has neither advanced nor failed, and that would seem to suggest that it is capable of improvement, because if the country had been absolutely unsuitable, the industry would have died long ago. The fact that the industry has not gone ahead, with the liberal difference between the import duty and the excise, suggests that there is something wrong, and that we have not yet put our hand exactly on the weak spot. As to the sort of tobacco which

would be turned out by the national factory, I ask honorable senators to consider the quality of tobacco which is smoked in France. I know that some honorable senators will say that this tobacco must, at any rate, be good, or the people of that country would not have put up with it for so long. In my youthful days I lived on the coast of Kent, immediately opposite France, and one of the recreations of the boys there, who absented themselves from school without leave, or were not otherwise engaged in those exercises of which you, sir, no doubt have a lively recollection, was to run with local boatmen across to the French coast. Not once, but frequently have I seen those boatmen haul alongside any home-going vessel from abroad, and obtain tobacco, whereas they used to go to the ports of France, and never think of taking a pound back to England. There was ample opportunity to smuggle French tobacco, but it was never thought worth while. I was not at that time of sufficient age to speak of the merits of the tobacco; and I merely relate my experience many years ago as a boy. That experience is borne out by every one who has written on the subject, except the officials of France, who themselves control the industry, and whom I can hardly accept as unprejudiced witnesses. I should like to quote an article which I think will be accepted as an authority on the general opinion of the quality of French tobacco. This is a statement of Mr. W. A. Penn, published in 1901, as follows:—

Cigarette factories are situated at Paris, Bordeaux, Marseilles, Mortaux, Nancy, Tantes, and Toulon. The tobacco, which has been aptly described as consisting of scorched linen flavoured with assafoetida and glue, is very coarsely cut, more so than for the pipe of England, and is very dark. The resultant cigarette is indescribably horrible. English smokers fail to recognise it as tobacco. Yet of these cigarettes France smokes some 300,000 millions a year; in any form but that of the cigarette it would be intolerable. An Englishman will face unmoved the armies of France or the howlings of her mobs, but from the cigarette he flies apace. In the *Paris Figaro*, a year ago, "Nestor" recounted his success with this horrible weapon. "There are still too many Englishmen in Monte Carlo. Still, during my trip I had the pleasure of making one old Englishman's life a misery to him by smoking him out, with my strong French cigarettes, from the railway compartment in which he sat with me. He left the carriage half asphyxiated at Lyons, and I felt that Fashoda was, at any rate, partially avenged. Childish, no doubt, but one must do what one can." Childish it was not, must certainly; France has no more terrible weapon than her cigarette.



This account, of course, is more or less humorous.

Senator STYLES.—It was "sheep-wash" he was smoking.

Senator MILLEN.—That is all the people get in France.

Senator STYLES.—We should not be content with that.

Senator MILLEN.—But what I have read is an indication that when there is a big Government monopoly, and an impossibility on the part of the people to obtain their supplies elsewhere, there is removed the incentive which does tend in private hands to keep up quality to a reasonable level. In a paper called the *Traveller*, another writer states—

As is well known, the products of the State monopoly of France, with the exception of its higher priced cigarettes and smoking tobaccos, are hopelessly inferior. French cigars of domestic manufacture are the worst in Europe—those of Italy alone excepted. The truth appears to be that tobacco manufacture in France has gotten into a rut, and there is not a man in the Republic who is strong enough to pull it out. For so rich a country as France, its State monopoly in tobacco is but a poor revenue producer.

I could multiply quotations of the kind, but I think I have read enough to convince honorable senators that whatever may be said of the national monopoly in France from the stand-point of revenue, it is, at any rate, not satisfactory to the consumer. Of course, it may be asked why the French people do not uproot the system, and allow private enterprise to have its way. But the same difficulty confronts the French people which confronts us, when it is proposed to establish a State industry in Australia. One of the big restraining influences is the recognition of the fact that there are vested interests; and, as the abandonment of an industry of the kind by the State would estrange a great many people, the French Government hesitate to destroy the monopoly. It must be remembered that there are an enormous number of electors in France concerned in the maintenance of the industry. Every man who wishes to retail tobacco there has to obtain a licence, and each one, to some extent, becomes an upholder of the system. It is true that he may be only an individual, but he is a little centre of influence, which works for the maintenance of the present state of affairs. Apart from that, one can quite understand the French Government shrinking from parting with a business which produces

such a large portion of the revenue. A stock argument used in the House of Commons, in regard to the duty on beer, is that, whatever may be the moral aspect of the tax, the Treasurer cannot afford to give it up. The Treasurer of France might reasonably shrink from a change which might ultimately work out, but which for a few years would probably dislocate its finances. When a motion, corresponding to this one, was being discussed elsewhere, the question was asked, "Is not the Senate the special guardian of States rights?" and the reply made was "Yes, and pays about as much attention to them as does the honorable member." It has been the invariable practice here for the President to check any remarks derogatory to the other Chamber; and one might have hoped that that House would have followed so excellent an example. A little while ago, I touched on what I regard as the overstating of the case against this combination. It is affirmed that the combination has absolute control of the retail traders, that it binds them to prices at which they are to sell, that it has stipulations and conditions which practically make them, as it were, its bond slaves. I venture to say that there is not one word of truth in that affirmation. What the combination does is only what is being done by every large mercantile firm the world over. It has been said that the retailers affirm that they are not at liberty to lower their prices. That is perfectly true. But when it is looked into, as I believe it will be by the Select Committee, it will be found that the arrangement by which retailers have fixed certain prices is one arrived at by their union. The combination simply sends out its trade lists and binds merchants, to whom it principally sells, not to undersell it with the retailers. All the evidence I can collect is clear on this point, that the combination has never sought to control the retail selling price. If that be a fact, it is regrettable that contrary statements should be made, which can only tend to inflame the passions of persons who may not view the matter as coolly as do the members of the Senate. I think I may reasonably conclude my remarks now. I have pointed out that this proposal is, in my opinion, an absolute violation of the Constitution; and that even if it were constitutional it is undesirable that the Federation should enter upon an industry of this kind. I have endeavoured to show that, from the revenue stand-point, it would not be so materially advantageous as Senator

Pearce has represented, that the cost of distribution would be higher, and the amount of profit lower than he set out, and that the consumer could hope for no relief or benefit from the proposed monopoly. I have indicated where I think some advantage might result from an inquiry, and that is to the grower, and to him alone. But when I boil down my objections, all centred, as they are, in the final paragraph of the motion, I find myself in this position: That I would sooner lose the whole of the motion than accept it in its present form. I hardly suppose that Senator Pearce is prepared to strike out that paragraph; if he is, I shall vote with him entirely; but if he is not I can only vote against him, holding, as I do, that apart from its utterly unconstitutional character, it is a very pernicious proposal indeed. It is—and probably that is one of the reasons why it is made—the first direct socialistic proposal that we have had here. It is well that that fact should be emphasized and recorded. We have been told that the Labour Party is sometimes a party of Socialism, and sometimes not. I hardly know what it pretends to be. But here we have put forward, with the support of its members, a proposal which I submit is the first attempt to nationalize an industry of the Commonwealth. We have here a concrete illustration of what is proposed to be done should the electors give the Labour Party the power to carry it out—the nationalization of the tobacco industry; and not far down on the notice-paper is a proposal for nationalizing another industry. I shall vote against the motion, not only for the particular objections I have to this specific proposal, but because, in my opinion, it is the first attempt to, by the introduction of State enterprise, utterly abolish that which has so far built up this community to what it is, and that is private enterprise. I understand, sir, that it is not necessary to move an amendment for the elimination of the third paragraph.

The DEPUTY PRESIDENT.—No.

Senator PEARCE.—I desire to state that I am willing to amend paragraph 2 by inserting after the word "industry" the words "and the cultivation of tobacco," and also to amend the last line of the motion by substituting the "12th October" for "9th August."

The DEPUTY PRESIDENT.—Does any other honorable senator wish to speak?

Senator DOBSON.—The leader of the Senate!

Senator PLAYFORD (South Australia—Minister of Defence).—I thought I spoke sufficiently long on this subject on a previous occasion, and my views have been very freely quoted to-day by Senator Millen. The Government treat this question as an open one.

Senator DOBSON.—The point is, do the Government treat the motion as a constitutional or as a grossly illegal one?

Senator PLAYFORD.—The question is not whether the motion is a grossly illegal one.

Senator DOBSON.—That is the only question.

Senator PLAYFORD.—My opinion is that it would be unconstitutional for the Commonwealth to establish this industry. I have spoken and voted in that direction before. My honorable and learned colleague voted in a contrary direction on that occasion. We do not look upon this as a party question at all, and we shall vote in the same way again. It is a proposal for an inquiry to ascertain the facts and collect information, and not a proposal to establish a tobacco monopoly.

Senator DOBSON.—Is the Minister going to vote for paragraph 3?

Senator PLAYFORD.—I certainly shall not vote for that paragraph if the motion is put in parts. I shall vote against that paragraph, but not against the other two, which merely relate to an inquiry. The third paragraph, if I recollect aright, is not in the form in which it was originally. At that time Senator Pearce embodied in his motion a proposal to provide funds for old-age pensions, but the present proposal has, I think, been toned down very considerably. I have not compared the two motions. I argued the point on the first occasion. Senator Millen has quoted my opinions on the subject very fully, and I fancy they are very well known. I look upon the proposal as absolutely unconstitutional. An alteration of the Constitution would be necessary before the Commonwealth could establish an industry of this sort. Whether the proposal is one to establish an industry for the manufacture of iron, or one for the manufacture of tobacco and cigars, I contend that it is absolutely unconstitutional, and therefore I shall be prepared to vote against any motion which would assert the contrary opinion. We know the opinion of the Prime Minister, and Senator Millen, in his most excellent speech, has put the constitutional question beyond all cavil. Even if we struck out

the third paragraph of the motion, we could not prevent the Select Committee from expressing an opinion as to whether a monopoly they might find to be injurious to the public as a whole had better be taken over by the Commonwealth, or whether other means should be adopted to prevent the public from being prejudiced. I was a member of the previous Select Committee, and the evidence went unmistakably to show that there was no "combine" which was injuriously affecting the consumer. There was in existence a combination, but the evidence did not show that it was of such a character that the consumer was in any way injuriously affected by its operations.

Senator GIVENS.—If we had an inquiry, and it showed that it was advisable for the Government to take over the industry, we might obtain the constitutional power to do so.

Senator PLAYFORD.—That power can only be obtained by an amendment of the Constitution.

Senator GIVENS.—That might be shown to be very desirable by the new facts elicited.

Senator PLAYFORD.—If it were proved that the consumers were being injured by the monopoly, the Select Committee might report that, in its opinion, the best way to cure the evil would be for the Commonwealth to take over the manufacture of the article. But I do not wish by my vote to affirm—

The advisability or otherwise of the Government taking over the industry of such manufacture, importation, and sale, or any part thereof.

Senator MATHESON (Western Australia).—I intend to vote for all the paragraphs of the motion. I listened with very great surprise to those who take exception to the third paragraph, and yet are prepared to swallow the previous two. The motion simply proposes that a Select Committee should make inquiries. I fail to find in the Constitution anything which would justify, on the face of it, the Commonwealth interfering in the matter of trusts. Senator Millen seemed to find some difference between the powers of the Constitution when he dealt with trusts and the powers of the Constitution when he dealt with manufactures. But I fail to see any difference in the position in which the Commonwealth stands under the Constitution in respect of those two matters. I find nothing in the Constitution which would justify the Commonwealth in interfering with trusts, nor can I find anything

which would justify us in interfering with manufactures. But I am perfectly prepared to support Senator Pearce's proposal that a Select Committee be appointed to look into this business, and to report to the Senate. That is the only logical position that any impartial person could take up. Senator Playford laid special stress on his opposition to interference with manufactures.

Senator PLAYFORD.—Not interference; I objected to the establishment of manufactures by the Commonwealth.

Senator MATHESON.—The honorable senator objected to interference with the rights of the States. I may remind him that when the Barton Government brought in their Tariff Bill State imports were excluded from its operation. But the Bill was amended at the instance of the Government in the direction of charging duties on them.

Senator PLAYFORD.—We had a perfect right to do so under the Constitution.

Senator MATHESON.—According to Senator Millen's statement, the matter has been before the Supreme Court of New South Wales, and a judgment has been given against the Federal Government, which has not had the pluck to take the case to the High Court.

Senator PLAYFORD.—I know nothing of that.

Senator KEATING.—Possibly there was no High Court when the decision referred to was given.

Senator MATHESON.—I think I am quoting Senator Millen correctly.

Senator MILLEN.—I will fetch the law report, and show the honorable senator the judgment.

Senator MATHESON.—My point is that Senator Playford was a supporter of the Government that introduced that unconstitutional clause, and he voted for it.

Senator PLAYFORD.—We are operating under it now, as far as I know.

Senator MATHESON.—The honorable senator has heard that it is illegal. I emphasize the lack of logic on the part of Senator Playford in protesting against part of this motion as an infringement of States rights, when he was perfectly prepared to support a claim which, apparently, the Commonwealth could not sustain. I have no intention to discuss the question of the tobacco monopoly. I am satisfied to support the motion for the appointment of the Select Committee. But I wish to deal with another question introduced by Senator

Millen. He most unfairly suggested that Senator Pearce ought not to proceed with his motion, on account of the scanty attendance at the time he was speaking. I wish to put it on record in *Hansard* that prior to 4 o'clock this afternoon there was as large an attendance of senators as there has been at any time this session. But as soon as Senator Playford secured the passage of a resolution that the Senate should, at its rising, adjourn until next Wednesday week, many honorable senators seized their bags and papers, and cleared off to catch trains for Sydney and Adelaide. It is scandalous that Senator Millen should use such an argument to support the contention that the debate on the motion should be dropped.

Senator MILLEN.—Is the honorable senator thinking of Randwick again?

Senator MATHESON.—The allusion is one which I fail to understand. This opposition to proceeding with the motion springs from the action of the leader of the Senate which we endeavoured to prevent this afternoon. If Senator Playford had waited until the ordinary time to discuss the question of adjournment, the whole of the New South Wales and South Australian senators would have been in their places at this moment.

Senator MILLEN.—I rise to order. Is that question before the Senate?

The DEPUTY-PRESIDENT. — The honorable senator is not in order.

Senator MATHESON.—Where am I out of order? I am merely replying to the remarks of Senator Millen. I absolutely fail to see why, if other honorable senators do not choose to attend at the well-advertised days for the sitting of the Senate, a debate should be suspended. We who are ready to give our time and intelligence to the business have a right to expect that other honorable senators shall be in their seats.

Senator DE LARGIE (Western Australia).—I wish to propose the amendment suggested by Senator Millen. I move—

That after the word *industry*, in sub-paragraph 2, the words "and the cultivation of tobacco" be inserted.

Senator DOBSON (Tasmania).—It is a little refreshing, after the admirable speech of my honorable friend Senator Millen, to find that the leader of the Senate has taken upon himself a wee bit of responsibility, and has announced to us the momentous fact that he is going to vote against a paragraph of the motion which he believes

to be absolutely illegal and futile. My idea of the responsibility and duty of the leader of a party is not that he should sit smiling in his seat, and allow a large section of the Senate to do just as they please, and waste time in discussing motions which—

Senator PEARCE.—Is the honorable and learned senator in order in saying that honorable senators are wasting time?

The DEPUTY-PRESIDENT. — Senator Dobson is not in order.

Senator DOBSON.—I bow to your ruling, but I am unaware that accusing honorable senators of wasting time is out of order.

The DEPUTY-PRESIDENT.—Under standing order No. 404 it is provided that no senator shall use offensive words against either House of Parliament, and that all imputations of improper motives and all personal reflections are highly disorderly. It is, to my mind, a personal reflection upon members of the Senate to say that they are wasting time.

Senator DOBSON.—I bow to your ruling, but I am still under the impression that in the way which I used the term "wasting time" it does not come under that standing order. I do not accuse my honorable friends of wasting time wilfully. I accuse them of being so enamoured of their fads, so much in love with their own policy, so much in earnest about their platform, that they forget what is constitutional and what is not. The most dangerous men are sometimes the most sincere in their delusions, and I can quite understand some of my redhot friends opposite being perfectly sincere about some of the most frightful delusions possible. It is not the duty of the leader of a House of Parliament to allow a large proportion of his supporters to push forward a matter which he knows to be utterly unconstitutional. We are told that one Minister intends to vote against part of the motion, and that his colleague will vote for the whole of it. Thus we shall have Ministers nullifying their votes upon a motion which Senator Millen has shown to be absolutely illegal.

Senator PLAYFORD.—There is nothing illegal in paragraphs 1 and 2.

Senator DOBSON. — Is that Senator Playford's idea of responsible government? Is that his notion of the duty which Ministers owe to Parliament, to the country, and to themselves? I doubt if Senator Playford would have risen at all if I had

not suggested that the leader of the Senate should say something.

Senator GIVENS.—Is there anything illegal about a committee of inquiry?

Senator DOBSON.—I am very much amused to find some of my honorable friends saying that, even if this is illegal, it is only a proposal for an inquiry. I should have thought that if a thing was illegal, and the Senate had any respect for itself, for its time, and for the taxpayers' money, it would take no step even to inquire into it. I am inclined to agree with Senator Matheson that the whole thing is out of order.

Senator MATHESON.—I never said it was out of order. I think it is unconstitutional, but I think we should have an inquiry.

Senator DOBSON.—For once in my life I am able to agree with the honorable senator, who has got hold of a constitutional point which is so fine that some of my honorable friends opposite do not appear to be able to understand it.

Senator O'KEEFE.—Is it illegal for the Commonwealth Parliament to pass legislation to deal with trusts?

Senator DOBSON.—That is a point I am coming to. It is perfectly obvious that there can be no such thing as a Commonwealth nationalization of the tobacco or any other industry. That is a power which rests with the States.

Senator O'KEEFE.—If it is constitutional for us to pass legislation dealing with trusts, does that not justify the first two paragraphs of the motion, under which evidence might be secured to show that an existing trust is injurious?

Senator DOBSON.—I am sure every member of the Senate must be perfectly certain, after reading the opinions given by the present Prime Minister when he was Attorney-General, and by his successor in that office, Senator Drake, that what is proposed under paragraph 3 of the motion is unconstitutional. Senator O'Keefe seems to think that the first and second paragraphs of the motion may be constitutional, because he claims that the Federal Parliament has power to deal with trusts. If honorable senators will consult the textbooks they will find that a very great deal has been done in America in the direction of controlling trusts and monopolies. Many of the States have passed laws to put down trusts, and the Federal Parliament in

America has also passed laws with the same object. But the Federal Parliament of the United States can only legislate with regard to trusts in so far as they are concerned with Inter-State trade. It cannot interfere with the operations of trusts which confine themselves to one State. As I read our Constitution, the Commonwealth Parliament has nothing whatever to do with the nationalization of an industry, but if a trust exists we can legislate to control that trust within proper limits with regard to Inter-State trade, or with regard to trade between the Commonwealth and foreign countries. But suppose there were a trust or combine in onions or in potatoes in the State of Victoria, we could not legislate with regard to that. We cannot legislate with regard to an industry confined to a State that may happen to be turned into a trust, as we should then be impinging on the power of the State. Suppose there were a trust formed in potatoes in Victoria, and it put up the price so much that none but the very wealthiest could afford to buy potatoes, although thousands of tons were for sale. The State Parliament of Victoria might pass a law at once to put an end to that state of things, but do my honorable friends opposite contend for a moment that the Federal Parliament would also pass a law on the subject? If it did we should have a State law in conflict with a Commonwealth law, and when the Constitution was referred to it would be found that our law would be a nullity, and it would be the State law that would regulate the matter.

Senator O'KEEFE.—Quite a number of lawyers contend that we have power to deal with trusts.

Senator DOBSON.—So we have, in the way I have stated, and with regard to Inter-State or foreign trade. But I have given my honorable friend as practical an illustration as I can think of, and if we tried to put down a local trust in this or any other State, and a State law were passed with the same object, the State Parliament and the Federal Parliament would be gnawing at the same bone, and the State law would prevail.

Senator STYLES.—This tobacco monopoly is an Australian, and not a State combine.

Senator DOBSON.—It may be an Australian combine, and I am inclined to think that under the trade and commerce subsection of section 51 we might try to

regulate and control the trust as regards Inter-State trade in tobacco. But if we were to pass a law dealing with the tobacco trade in Victoria, and the State Parliament were to pass a law dealing with the same subject, the State law would prevail. I believe that the first two paragraphs of the motion are not in order, because they are unconstitutional, and with respect to the last I am astonished that any honorable senator who desires to uphold the dignity of this Chamber should for a moment propose to submit it to a division.

Senator PLAYFORD.—“The existence or otherwise of a combine, trust, or monopoly” are the words used in the first paragraph of the motion, and the honorable senator says that, to inquire into that matter is unconstitutional?

Senator DOBSON.—That is what I have said, and I have given my reasons.

Senator PLAYFORD.—It astounds me, that is all.

Senator DOBSON.—It is not for me to call attention to the fact that certain honorable senators have left the Chamber, and have gone home. It is sufficient that I should realize that they have done so. I think that it was quite excusable for them to do so, because some of us took the point some days ago that there was not sufficient work for us to do. The fact is now clearly seen, and instead of having had a holiday this week we propose to have a holiday next week.

The DEPUTY-PRESIDENT. — The honorable senator is hardly discussing the question.

Senator DOBSON.—I am appealing to Senator Pearce and other honorable senators opposite to say whether it is fair or right that this motion should be pressed to a division when there are a good many of his supporters present, and when there is hardly a single opponent of the motion in the Chamber.

Senator PEARCE.—I am prepared to give honorable senators opposite a “pair” for every supporter they have lost.

Senator DOBSON.—If the honorable senator can assure me that he has lost more supporters than we have, I am content, but it appears to me that there is hardly any one present on this side.

Senator MATHESON.—Why did not honorable senators stop here?

Senator DOBSON.—Perhaps there is a “Mr. Randwick” that they desire to go and see. The fact is that they are not here. It is a common argument that an important

matter should not be submitted to a division in a thin House. If Senator Playford had some regard for the dignity of the Senate, I think he would not permit the motion to go to a division. It is all very well for the honorable senator to smile, and affect to throw all responsibility off his shoulders, but he cannot do that. Every hour the responsibility of the Government is growing less, and we shall soon have no such thing as responsible government.

Senator MATHESON.—Certain honorable senators do not recognise their responsibility.

Senator DOBSON.—They do recognise their responsibility.

Senator MATHESON.—Then why are they not here?

Senator DOBSON.—Because there is no work to be done. The motion now before the Senate can only end in a fiasco. It can only end in the spending of the people's money on an abortive inquiry. We are having just the same argument over again as we had on the transcontinental railway matter. Although we have no power to go on with that matter without the consent of South Australia, honorable senators still said, “Let us have an inquiry.”

Senator PEARCE.—Are we discussing the transcontinental railway?

The DEPUTY-PRESIDENT.—I was waiting to hear how the honorable senator would connect those remarks with the motion.

Senator DOBSON.—I am only using an illustration. Honorable senators say, as they said in dealing with that question, “It may be illegal, but let us have an inquiry; let us spend the taxpayers' money; let us take a step forward, although a small one.” That is not the way in which we would conduct our private business, and it is not the way in which the Federal Parliament should conduct its business. The leader of the Senate has no right to give his sanction to such a thing. We may have one Minister voting against the motion, on the ground that it is unconstitutional, and the other voting for it. We have a right to expect that Ministers will uphold the dignity of the Senate, and what can be worse than that they should assist in passing laws which they know are unconstitutional? Every one knows that the present Prime Minister, when Attorney-General, and Senator Drake, as Attorney-General, as well as the authorities quoted by Senator Millen, are against this proposal as being

unconstitutional. We have now in office an Attorney-General who is a great sympathiser with the Labour Party. The honorable and learned gentleman manages, if he can, to give an opinion in their favour, and I should like to know what his opinion is on this matter. If Mr. Isaacs is of opinion that such a scheme as this would be illegal, I ask Senator Pearce, who I know tries to keep himself within the bounds of reason, and has some regard for the taxpayers' money, not to insist on going to the expense of this inquiry. The amendment which I desire to move is to add the following words to the third sub-paragraph of the motion :—

Provided that before No. 3 inquiry is proceeded with by the Committee, they shall obtain the opinion of the Attorney-General that in the case of a report of the Committee in favour of the said industry being taken over by the Commonwealth being adopted by Parliament, the Government has the power to enforce and carry out the Act embodying such report.

If this unconstitutional motion is to be carried, I desire to stay the Select Committee's hand until the present Attorney-General has given an opinion; and I think the amendment is a fair one. If Senator Pearce has any regard for the dignity of the Chamber, or for the legality and reasonableness of our legislation—if he has any regard to the fact that we ought to be most tender and delicate in infringing State rights—I ask him to accept the amendment which I have indicated. I cannot see the slightest justification for a motion which involves the expenditure of £200 or £300 on a project which we cannot legally carry out. We do not want to appear as fools, by instituting opinions which can only end in fiasco. Senator Pearce himself has a doubt as to whether the motion is constitutional, and he ought to endeavour to avoid expense which may only prove abortive. If Mr. Isaacs should express an opinion in favour of the legality of such a scheme, there might be some reason in the motion, though I should have to differ from him, with great respect; but if three Attorney-Generals declared the proposal to be illegal, there could not be the slightest excuse for spending even £5 on an inquiry. I am astonished that Senator Playford and other honorable senators do not seem to recollect that the Full Court of New South Wales has decided that duty cannot be imposed on State imports.

Senator PLAYFORD.—Duty is being imposed on State imports every day, and paid in New South Wales.

Senator MILLEN.—I have quoted the law report.

Senator PLAYFORD.—The Government allowed that decision to pass, but since then have insisted on payments, and no State has troubled to go to law again.

Senator DOBSON.—Then there was another legal decision in the case affecting brewers' licences, which were held to be in the nature of an ordinary trade permit, and beyond the control of the Commonwealth. These decisions show how jealous the States are about the Federal Parliament going outside the Constitution, and passing Acts which are an interference with the trade or industrial life of the States. Senator Millen has shown clearly the distinction between the Canadian Federation and the Australian Federation. No power which is not expressly given by the Constitution can be exercised by us, but we have every right, implied, though not stated, in the Constitution, to carry out any legislation necessary to that which comes within our exclusive jurisdiction. If we desired to give the boys in the State schools military training, that would be deemed part of the defence of the Commonwealth, and could be undertaken by the Federal Government; and if we started the manufacture of arms, equipment, and ammunition, we might have the power to undertake the iron or other industries to an extent necessary to the enterprise. Whatever we undertake must be inherent in one of the exclusive powers which we possess under the Constitution. Let us carry the matter a little further, and try to imagine what would happen in Tasmania if Senator Givens were to move for an inquiry into the question of nationalizing the woollen industry. Though there are not many woollen manufactories, there are splendid machines, and capital stuff is turned out, and we are proud of the establishments both in Victoria and Tasmania.

Senator PLAYFORD.—That industry is not a monopoly.

Senator DOBSON.—But if it were a monopoly, what would the Tasmanian people say if it were proposed to nationalize the industry? The Constitution would have to be amended in order to get the power. My friends of the Labour Party have got it on the brain that Socialism and the nationalization of industries form

a good policy, but they have "hedged" enormously since hearing the powerful arguments directed against it. They have thought it wise to put the latter part of their policy in their pocket, and to advocate only the nationalization of monopolies.

Senator GIVENS.—They have not done anything of the kind.

Senator DOBSON.—Senator Givens must allow me to be able to read plain English. The Labour Party have "hedged" immensely, and knocked on the head their proposals about the nationalization of industries.

Senator MILLEN.—They have not knocked the proposals on the head, but have merely hidden them.

Senator DOBSON.—Yes, and all they desire now is to go slow—"One step at a time," according to Mr. Watson—and nationalize only monopolies.

Senator O'KEEFE.—That is all the Labour Party ever desired to do.

Senator DOBSON.—How can the honorable senator say that?

Senator O'KEEFE.—I am speaking of the Labour Party as constituted in this Chamber and another place.

Senator DOBSON.—I have read the platform of the Federal Labour Party, and the "hedging" is perfectly plain. As to the power said to be implied in the words "peace, order, and good government," the Federal Parliament may one day desire to deal with the question of gambling. If honorable senators realized the extent to which the gambling mania destroys the manhood whom they are here to represent, they would deal with that evil, which is of far more importance than some of the fads over which they waste their time. Gambling is an evil which has exercised the minds of many of us, as I hope it is exercising the minds of members of the Labour Party, because it affects the lives of their kith and kin very materially. The only way to deal with this matter is to get the whole of the States to remit its settlement to the Federal Parliament.

The DEPUTY PRESIDENT.—Does the honorable and learned senator connect his remarks with the question before us?

Senator DOBSON.—I shall do so in a moment. If that step were taken we should be able to pass a law which would have Federal effect. If there are monopolies, trusts, or combines in tobacco, onions, potatoes, or any other commodity, we cannot deal with them until the States give their

legislative sanction, or we amend the Constitution. We cannot deal with State rights outside any power expressly given to us in the Constitution, or inherent in the powers mentioned in the Constitution. Honorable senators who vote for this motion are ignoring the provisions of the Constitution. There are disputes going on in the daily press as to the effect of our legislation on the opinion of the outside world.

Senator FINDLEY.—Those hackneyed utterances are threadbare, and belong to the "stinking fish" party.

Senator DOBSON.—Does the honorable senator know to what I am about to allude?

Senator FINDLEY.—I suppose it is the "Petriana myth" or the six hatters.

Senator DOBSON.—I do not intend to refer to one matter only, but to the general effect of our legislation, on which we are judged.

Senator FINDLEY.—Judged by whom?

Senator DOBSON.—By the outside world.

Senator CROFT.—On misrepresentation.

Senator DOBSON.—We are not judged on misrepresentation, but on the legislation which we pass, and on our administration.

Senator O'KEEFE.—On statements of men like Fitchett.

Senator DOBSON.—We are judged on a common-sense interpretation of our legislation. If we pass unconstitutional laws, people in other parts of the world will believe that we are under the control of a party who desire more to carry out their fads than to observe the Constitution. I have been asked for one or two illustrations. If you insist on the inclusion of railway men in a Conciliation and Arbitration Bill, when you are told that it is unconstitutional; if you insist on giving preference to unionists and the High Court declares that you have gone too far, and robbed men of their freedom; if you carry out the principle of this motion, and infringe State rights—and the whole world knows that no session ever passes without a certain party trying to strain the Constitution, and doing what is wrong—you will be severely criticised, and no comments in the press, and no amount of talk from Sir John Forrest, will get rid of the injurious opinions which men will hold of us. Supposing that Senator Pearce gets his way, that a favorable report is presented, and that an



Act of Parliament is passed, how does he propose to carry out his project? Would he have power over any persons manufacturing or selling tobacco? Would he set to work to buy them all out, and if so, where would he get the necessary money? We know that only the other day the Premier of Victoria was complaining that the trade union label is an infringement of State rights. We have had an opinion from one of the first barristers in the Commonwealth that it is illegal. Well, supposing that Senator Pearce carries his motion, and an Act of Parliament is passed, how is he to accomplish his desire? When he takes his first practical step the States may say, "No; that is a matter which rests with us." How can he interfere with the manufacture or sale of tobacco? How can he deprive all these men of their living? The Constitution gives us no right of that sort — it rests with the State alone. I wish to make two appeals, and if they fell on deaf ears I cannot help that. The first appeal is that my amendment ought to be carried. I cannot conceive that Senator Pearce desires to enter upon an inquiry if it is to end in a nullity. The second appeal is that it is not fair in a thin Senate, when, as I believe, most of our supporters have gone, for the honorable senator to press to a division a question of vast importance, especially when he is in doubt as to the legality of the proposal.

The DEPUTY PRESIDENT.—I shall put first the amendment by Senator de Largie to the second sub-paragraph, and secondly, the amendment by Senator Dobson to the third sub-paragraph.

Senator FINDLEY.—I desire to move an amendment to the concluding paragraph.

Senator GIVENS.—I rise to a point of order. It appears to me that we shall get into a state of confusion if we are to have two amendments before the Senate at the one time. I think that the amendment of Senator de Largie should be disposed of before any other amendment is accepted. I ask, sir, for your ruling on that point.

Senator PLAYFORD.—We must dispose of one amendment before another can be moved.

The DEPUTY PRESIDENT.—That is the practice of the Senate. At the request of Senator Millen I have decided to divide the question, as it is a complicated one.

Amendment agreed to.

Amendment (by Senator DOBSON) negatived—

That the following words be added to sub-paragraph 3:—"Provided that before No. 3 inquiry is proceeded with by the Committee, they shall obtain the opinion of the Attorney-General that in case of a report of the Committee in favour of the said industry being taken over by the Commonwealth being adopted by Parliament, the Government has the power to enforce and carry out the Act embodying such report."

Amendment (by Senator FINDLEY) agreed to—

That the words "9th August" in the third paragraph be left out, with a view to insert in lieu thereof the words "12th October."

The DEPUTY-PRESIDENT. — Does Senator Pearce wish to reply?

Senator PEARCE.—No, sir.

Question—That the first paragraph and sub-paragraph 1 be agreed to—resolved in the affirmative.

Question—That sub-paragraph 2, as amended, be agreed to—resolved in the affirmative.

Question—That sub-paragraph 3 be agreed to—put.

Senator DOBSON (Tasmania).—The leader of the Senate told us—

Senator PEARCE.—Is the honorable and learned senator in order in speaking to this question?

The DEPUTY PRESIDENT. — The honorable and learned senator has already spoken.

Senator DOBSON.—I have not spoken to the amendment moved by Senator Findley.

The DEPUTY PRESIDENT.—When I called upon the mover of the motion to reply he declined to avail himself of his right. I then commenced to put the question in parts, and there can now be no further debate.

The Senate divided.

Ayes	...	...	...	12
Noes	...	...	...	4
				—
Majority	...	...	...	8

AYES.

Croft, J. W.  
de Largie, H.  
Findley, E.  
Givens, T.  
Higgs, W. G.  
Keating, J. H.  
M'heson, A. P.

O'Keefe, D. J.  
Smith, M. S. C.  
Stewart, J. C.  
Styles, J.

Teller  
Pearce, G. F.

Dobson, H.  
Mulcahy, E.  
Playford, T.

## NOES.

Teller:  
Millen, E. D.

Henderson, G.  
Guthrie, R. S.  
Dawson, A.

## PAIRS.

Pulsford, E.  
Gould, A. J.  
Walker, J. T.

Question so resolved in the affirmative.

Sub-paragraph 3 agreed to.

Second paragraph, and third paragraph, as amended, agreed to.

Senator PEARCE (Western Australia).

—I move—

That the Committee consist of Senators Keating, Stewart, Gray, Story, Styles, Findley, and Pearce.

I may mention that this is the old committee, with the exception of Senator Playford who, being now Minister of Defence, has intimated that he does not desire to be re-appointed. I have nominated another South Australian senator in his place.

Senator DOBSON (Tasmania).—I demand a ballot for the election of the committee.

The DEPUTY PRESIDENT.—Standing order 278 states that the senators to serve on a Select Committee shall be nominated by the mover, but on the demand of one senator they shall be selected by ballot. The ballot will take place.

Senator MULCAHY (Tasmania).—May I suggest that if there is to be a ballot it should take place when there is a larger attendance of senators. Personally, however, I have no objection.

Senator DOBSON (Tasmania). -- The fact had not struck me that the members of the old Committee have already secured a quantity of information, and I therefore withdraw my demand for a ballot. Nevertheless, I hope that the members of the Committee will obtain an opinion from the law officers which will enable them to come to a conclusion whether it is worth while to spend any more money on the matter.

Question resolved in the affirmative.

## PAPER.

Senator PLAYFORD laid upon the table the following paper:—

Return to Order of the Senate of 31st August—Copy of views on the present condition of the Defences communicated by the Prime Minister to the *Herald* on 12th June.

The CLERK laid upon the table:—

Return to Order of the Senate of 24th August, relating to the purchase of pistols for Light Horse.

## ADJOURNMENT.

SPECIAL ADJOURNMENT: RUSSO-JAPANESE WAR: DECLARATION OF PEACE: BUSINESS OF SENATE.

Motion (by Senator PLAYFORD) proposed—

That the Senate do now adjourn.

Senator STEWART (Queensland).—I wish to refer to a matter which I consider to be of some importance, and which occupied the time of the Senate during the earlier part of the sitting. I refer to the determination to adjourn till Wednesday week. I wish to allude to the way in which that adjournment was arranged. I understand that an understanding was arrived at earlier in the day with a number of honorable senators that an adjournment should take place, and that it was perfectly understood before the sitting commenced that a motion to that effect would be carried. I heard nothing about that arrangement. If I had heard of it I should have been in a position to go to Queensland if I had desired to do so. But the matter was sprung upon me suddenly. I never expected any adjournment, and made no arrangement. That being the case, I have a double complaint to make against the leader of the Government; first of all that he did not acquaint me, as well as other senators, with his intention to move for an adjournment, and, secondly, that there should be any adjournment at all. Out of courtesy to honorable senators when an action of this kind is contemplated, the Minister ought to give due notice, so that we may make suitable arrangements to go away if we desire. We cannot make up our minds and get ready on such short notice.

Senator WALKER (New South Wales).—I should like to ask the Minister of Defence whether he has not a Ministerial statement to make with regard to the peace which has been arranged between Russia and Japan. I understand that an announcement has been made in the other House, and surely we might expect a similar announcement from the Government in the Senate if they have any official information.

Senator PLAYFORD (South Australia—Minister of Defence).—So far as I know no official information has been received by the Cabinet with regard to the conclusion of peace in the East; at all events, I am not aware of it. In reply to

Senator Stewart, I wish to say that I did not know what I was going to do with regard to an adjournment until a short time before the Senate met.

Senator GIVENS.—There was some sort of understanding.

Senator PLAYFORD.—There was not the slightest understanding with any honorable senator, so far as I was concerned; and I took the earliest opportunity when the Senate met to make it known what I proposed to do. If Senator Stewart had desired to go to Queensland he could have made arrangements to leave for Sydney at 5 o'clock.

Senator DOBSON.—What business will there be when we meet on Wednesday week?

Senator PLAYFORD.—The Copyright Bill and the Electoral Bill.

Question resolved in the affirmative.

Senate adjourned at 10.11 p.m.

## House of Representatives.

Thursday, 31 August, 1905.

Mr. SPEAKER took the chair at 2.30 p.m., and read prayers.

### PETITIONS.

Mr. BATCHELOR presented five petitions from certain residents of South Australia, praying that stringent legislation be enacted to prohibit the importation and sale of opium within the Commonwealth.

Mr. POYNTON presented four similar petitions, also from certain residents of South Australia.

Petitions received.

### PERSONAL EXPLANATION.

Mr. JOSEPH COOK.—I desire to make a personal explanation with regard to a report in this morning's *Age* of some occurrences in this Chamber last night. With characteristic partiality, the journal omits practically everything that I said, but prints everything that my opponent said. The honorable member for Bland is reported to have said, amongst other things, that—

Ever since Ministers have assumed office, we have had from the Opposition a series of obstructing and stone-walling speeches. . . It is

really amusing, when one remembers all the speeches which have lately been delivered, and which have been nothing less than stone-walling. . . . There has been an endeavour to stop business, and to prevent the Government from getting any credit for the work it has brought forward.

I asked if this was in order, and after your ruling, Mr. Speaker, I am reported to have said—

I ask you, Mr. Speaker, do you really rule that an honorable member is in order, in making a charge of deliberately obstructing the House? If so, I am glad to hear it.

I did not make any such statement. I did not say that I was glad to hear it. On the contrary, I deeply regretted hearing such a ruling given.

### COUNT-OUT.

Mr. WILSON.—In this morning's *Age*, the following paragraph appears:—

Of course, the "count-out" signified nothing, as it was merely on the question of the adjournment. The Government could have kept a quorum had it desired.

Did the Government desire to keep a quorum?

Mr. DEAKIN.—When a Minister moves the adjournment of the House, it is because the Government desires that the House shall adjourn. No honorable member left this Chamber last night at my request, but honorable members were informed, when the adjournment was moved, that those who had trains to catch might leave to do so. I having moved the adjournment, the Government was no longer under the obligation to keep a House.

### COMMONWEALTH STATISTICAL BUREAU.

Mr. KELLY.—Will the Minister for Home Affairs lay on the table of the library the correspondence with the States Governments in connexion with the proposed creation of a Commonwealth Statistical Bureau?

Mr. GROOM.—I shall look into the matter, to see to what extent the request can be complied with.

### LETTER CARRIERS.

Mr. TUDOR asked the Postmaster-General, *upon notice*—

1. Whether the letter-carriers of other capital cities in the Commonwealth are compelled to do their work from the General Post Office similarly to those employed at the General Post Office, Melbourne?

2. What is the total cost to date of centralizing the suburban letter-carriers at the General Post Office, Melbourne?

3. What was the cost for the last twelve months?

4. Has any actual saving been effected by this scheme?

5. If so, how much has been saved by this centralization?

6. Who originated this scheme?

7. When this scheme was introduced was it not intended to amalgamate suburban offices, and thereby decrease the staffs of postmasters, &c.?

8. To what extent has this been done?

9. Is it intended to expend a further sum on the Melbourne General Post Office, which would not be necessary if this centralization had not taken place?

Mr. AUSTIN CHAPMAN.—The answer to the honorable member's questions is as follows:—

Inquiries are being made, and the desired information will be furnished as soon as possible.

### MILITARY CANTEENS.

Motion (by Mr. MAUGER) agreed to—

That a return be laid on the table showing—

1. The receipts during the past twelve months from military canteens throughout the Commonwealth.
2. The expenditure in connexion with the establishment and maintenance of same.
3. The profits, if any, on intoxicating liquors, and the way in which such profits have been applied.

### PAPER.

Mr. AUSTIN CHAPMAN laid upon the table the following paper:—

Copy of reports by Mr. John Hesketh, electrical engineer, on (1) matters investigated by him during a recent tour in America and Europe; (2) the message rate or toll system of charging for telephone services; (3) further report on the automatic telephone exchange system.

### IMPORTATION OF OPIUM.

Mr. JOHNSON (Lang).—I move—

That, in the opinion of this House, the importation of opium for other than medical purposes should be prohibited.

I think that this motion needs no apology, in view of the evil effects which the use of opium has upon its devotees, and the danger which threatens the community from the development of the habit of opium-smoking among the European population. I have some personal knowledge of these effects, because, in company with Senior-sergeant Jeffs, and Mr. G. E. Ardill, of the Sydney Rescue Society—a gentleman who for many years has been closely identified with a movement for mitigating the evils attendant upon the use of this drug—I have visited the opium dens in the Chinese quarter in Sydney, and have there wit-

nessed scenes of the most appalling, degrading, and repulsive character, reflecting, not only upon the municipal government, but upon the intelligence of our race for permitting them. I have also visited similar dens in Melbourne, and have seen the same occurrences there. I have brought with me a photograph of one of the dens in Little Bourke-street, Melbourne, which is self-explanatory, though it does not illustrate the worst phases of this vice, being a picture of one of the more reputable dens. I shall leave it on the table for the inspection of honorable members. I hoped to have been able to produce, this afternoon, a series of photographs of some of the scenes which are enacted in the opium dens of Sydney; but they have not yet arrived, so that I am unable to do so. The majority of these dens are situated in the lowest quarters of the city. They are to be found chiefly in alley ways, and are ill-ventilated, so that the stench on entering them is abominable, and has a nauseating effect upon those who are unaccustomed to it. In my own case, a visitation of two hours to various houses in Sydney frequented by opium smokers resulted in a fit of nausea from which it took me some time to recover. In a small room, perhaps a little more than 10 feet square, the visitor will find a number of low tables or couches, supported upon trestles, and covered with matting. There is a pillow at the head of each couch, and a tray, and each couch accommodates two persons. In a room of the dimensions I have described, it is no uncommon thing to discover six or eight persons smoking opium. The doors and windows are kept closed, and the blinds are drawn, to exclude both light and air. When first the stranger enters such a room, everything is enveloped in a yellowish vapour resembling a London fog; but when the eye becomes accustomed to the gloom, the forms of Chinese, negroes, Portuguese, and men of other nationalities, together with European girls, ranging from tender years to ripe old age, are discerned, recumbent on the couches, smoking opium, and in a condition of stupor. One case in Melbourne struck me as being particularly abhorrent, for on one opium couch, smoking from the one tray, was a shrivelled-up, decrepit-looking old Oriental, resembling nothing so much as a revived Egyptian mummy, and a young European woman of scarcely twenty, very scantily clothed, who, I was informed,

was married to a well-to-do business man, and was a frequent clandestine visitor to these dens. According to all the testimony that can be obtained from medical and police authorities, and from others who have had experience of the effects of this habit, its results upon the system are most injurious, and investigation of the reports of the authorities of China, India, and other countries where the drug is extensively used, shows that it is the universal verdict that opium smoking has a most destructive and demoralizing effect upon those who indulge in it, leading to physical decay and mental imbecility. Fortunately, in Australia the use of opium has not yet attained alarming proportions, but those proportions are sufficiently large to make it necessary for us to carefully guard against the spread of the habit. It would be very much easier to check this traffic now than it would be if we were to allow it to develop to a much more formidable extent. When we remember the number of petitions that have been presented to this House from persons residing in all parts of the Commonwealth, and we know that further petitions are being signed in opposition to the introduction of opium into the Commonwealth, except for medicinal purposes, we must realize that the people of Australia are awakening to the danger of the evil, and are anxious to see legislation of a repressive character introduced. One of the most satisfactory features of the agitation against the opium traffic is that the Chinese residents of Australia are joining in the crusade. Chinese merchants, who have been in the habit of importing opium and making large sums of money out of the traffic in that article are at the head of the reform movement, and are anxious that the traffic shall be suppressed. Ministers of various denominations are also entering into the anti-opium crusade with whole-souled sympathy and devotion. Moreover, opium smokers themselves will welcome the proposed legislation, because they are such slaves to the habit that they cannot resist their cravings whilst it is possible to obtain the drug. It may be urged that prohibition may lead to smuggling, but that consideration should not weigh with us. I understand that the Collector of Customs in Sydney reports that the authorities consider themselves quite capable of preventing the smuggling of opium to any great extent. They say that they make such a thorough

search of all vessels coming into port that it is almost impossible for smuggling to be carried on to any great extent. Therefore, it seems to me that it devolves upon us, as an integral part of the Empire, to assist in trying to get rid of this curse, for the existence of which throughout the world we, as Britishers, are chiefly responsible. It is not to the Chinese themselves that we owe the existence of the opium traffic, but to the British authorities who in earlier years insisted upon the drug being imported into China against the repeated protests of the Chinese authorities, because the Indian Government found that through the cultivation of the poppy in that country and the exportation of opium to China, manufactured from the poppy, they were able not only to secure very large returns in the form of revenue, but also to enable the cultivators to reap very large profits. It has always seemed to me that the history of this subject constitutes one of the greatest blots upon our national escutcheon. One's reflections cannot be pleasant when one considers how largely responsible our race is for the degradation of the millions of people who have been perniciously affected by the use of opium. It is only just to the majority of the public of Great Britain to say that until recently they were not aware of the alarming effects of the use of opium, and the extent to which habitual indulgence in opium smoking prevails. By means of the dissemination of literature, however, chiefly through the agency of the Christian Union for the Severance of the Connexion of the British Empire with the Opium Traffic, the British people have been largely made aware of their full responsibility, and have displayed willingness to do what they can to remedy the evils which have arisen chiefly through the mistaken policy of their rulers in the past. In the beginning the British authorities forced this trade upon China, despite the repeated protests of the rulers of that country, and it may be interesting in this connexion to read something that has been said by the Chinese Imperial Commissioner, who issued a proclamation upon the subject some time before the first opium war. The proclamation, which was addressed to the foreign merchants in China, contains the following pertinent question and comment:—

Why do you bring to our land the opium, which in your land is not made use of, by it defrauding men of their property, and causing injury to their lives? Do I find that with this thing

you have seduced and deluded the people of China for two years past; and countless are the unjust hoards you have thus acquired. Such conduct rouses indignation in every human heart, and it is utterly inexcusable in the eye of celestial reason.

In another document, the Commissioner says —

Of all the evils that afflict mankind, the greatest are those he perversely brings upon himself. . . . Reptiles, wild beasts, dogs, and swine do not corrupt the morals of the age so as to cause one anxious thought to the Sovereign. There are, however, men who do.

All the time the Chinese were protesting against the introduction of the drug into China they took a highly moral stand, and were actuated by a desire to preserve the physique and general character of the Chinese. In addressing a memorial to Queen Victoria on the subject, the Chinese Commissioner wrote as follows:—

In the ways of heaven no partiality exists, and no sanction is allowed to the injuring of others for the advantage of one's self. . . . Your honorable nation, though beyond the wide ocean, acknowledges the same ways of heaven, the same human nature, and has the like perception of the distinction between life and death, benefit and injury. . . . But there is a tribe of depraved and barbarous people, who, having manufactured opium for smoking, bring it hither for sale, and seduce and lead astray the simple folk, to the destruction of their persons and the draining of their resources. Formerly the smokers thereof were few, but of late the practice has spread . . . and daily do its baneful effects more deeply pervade this rich, fruitful, and flourishing population. . . . Hence those who deal in opium, or who inhale its fumes within this land, are all now to be subjected to severest punishment, and a perpetual interdict is to be placed on the practice so extensively prevailing.

It will be observed from this that, notwithstanding the determination of the British authorities to insist upon the drug being imported into China, the rulers of that country, realizing the evil effects of opium-smoking, did what they could to discourage the practice, and imposed penalties upon those who were found indulging in it. The Commissioner proceeds—

We have reflected that this poisonous article is the clandestine manufacture of artful schemers, and depraved people of various tribes under the dominion of your honorable nation. Doubtless you, the Honorable Sovereign of that nation, have not commanded the manufacture and sale of it.

. . . . We have heard that in your honorable nation, the people are not permitted to inhale the drug. . . . It is clearly, from a knowledge of its injurious effects on man, that you have directed severe prohibitions against it. But what is the prohibition of its use in comparison with the prohibition of its sale and manufacture, as a means of thoroughly purifying the source. Though not making use of one's self, to venture on

the manufacture and sale of it, and with it to seduce the simple folk of this land, is to seek one's own livelihood by the exposure of others to death. Such acts are bitterly abhorrent to the nature of man, are utterly opposed to the ways of heaven. . . . We would now then concert with your honorable sovereignty, means to bring to a perpetual end this opium, so hurtful to mankind, we, in this land, forbidding the use of it, and you, in the nations under your dominion, forbidding its manufacture. . . . Will not the result of this be the enjoyment by each of a felicitous condition of peace?

Those are noble words, nobly inspired—written, not by a European, but by a representative of a nation which we have always been taught to regard as barbarous. I venture to say that if we compare the utterances of the Chinese Commissioner with some of the deliverances which have been made from our own side, the greatest credit must be given to the representative of the Celestial Empire on the score of right and justice, as well as wise and lofty ideals of statesmanship and morality. The action of the British authorities in forcing the opium traffic on the Chinese led to a series of wars—three in all—upon which I do not care to dwell, because that aspect of the question is exceedingly painful for any one of British origin to contemplate. There was absolutely no justification whatever for those wars. An attempt was made to induce the Chinese Government to legalize the introduction of opium. But throughout all the negotiations with China a continuous protest was made by that country against its introduction, and it was only the force of British arms which ultimately compelled its acceptance. Upon the subject of the war, I do not think that it would be out of place for me to read what Mr. Gladstone himself had to say. He denounced it in these terms—

A war more unjust in its origin, a war more calculated to cover this country with permanent disgrace, I do not know, and I have not read of. The British flag is hoisted to protect an infamous contraband traffic; and if it was never hoisted, except as it is now hoisted on the coast of China, we should recoil from its sight with horror.

The details of those wars were frightful, as anybody who has read an account of them must know. The *Times* of 3rd December, 1842, in the first leading article written upon the war, said—

We think it of the highest moment that the Government of Great Britain should wash its hands, once for all, not only of all diplomatic, but of all moral and political responsibility for this (the opium) traffic; that we should cease to be mixed up with it, to foster it, or to make it a source of Indian revenue. . . . We owe some moral compensation to China for pillaging

her towns and slaughtering her citizens in a quarrel which never could have arisen if we had not been guilty of this national crime.

The *Spectator* of 29th October of the same year said in this relation—

It is impossible to read the account of the military operations in China without shame and disgust. It is not war, but sheer butchery—a *battue* in a well-stocked preserve of human beings. . . . The Chinese are hacked, shot, and drowned without resistance, overcome by their own sense of helplessness and their excited imaginations; and the details of the butchery are such that we should feel sickened to see it exercised on cattle or game. . . . Is it a sign of humanity to sanction such wholesale butchery of human beings? Is it a sign of morality to do all this in order that a poisonous drug may be smuggled into the markets of China?

That is very strong language, coming from reputable and responsible sources, but it expresses the opinions of some of the foremost leaders of public thought in Great Britain at that time. Yet, notwithstanding the strong condemnation of the traffic by Mr. Gladstone himself, and by the leading newspapers which I have quoted, it was still persisted in, and has continued to grow until it has reached its present colossal proportions. Up till 1902 the revenue derived from the traffic between India and China was, I think, something like £256,000,000. I have not the exact figures before me, otherwise I should give them; but the amount was a very large one. So great was the trade in opium that in some instances traders actually made a fortune out of a single cargo. One case is cited in which the ship *Sir Edward Ryan*, armed with sixteen guns, and carrying seventy men, made a net profit of £50,000 in one opium cruise. Seeing that such large profits were made out of this traffic with China, we can well understand that those who engaged in it did all that they possibly could to prevent interference with it. I mention these facts to show that we cannot blame the Chinese for having introduced the drug into our midst. We have to blame ourselves for forcing it upon a nation which was unwilling to accept it—a nation which clearly saw what a demoralizing influence it exercised upon its own citizens. In this connexion, I desire to read the opinion which Lord Ashley expressed in the Imperial Parliament upon the subject. Lord Ashley, afterwards the Earl of Shaftesbury, moved the following resolution in the House of Commons—

That the continuance of the trade in opium, and the monopoly of its growth in the territory of British India, are destructive of all relations

of amity between England and China, injurious to the manufacturing interests of the country by the very serious diminution of legitimate commerce, and utterly inconsistent with the honours and duties of a Christian kingdom, and that steps be taken as soon as possible, with due regard to rights of Governments and individuals, to abolish the evil.

Mr. DEAKIN.—That is a good while ago.

Mr. JOHNSON.—Yes, it was in 1843. I am speaking now of that early stage. I am pointing out that, notwithstanding these protests, the traffic has been allowed to grow until it has assumed its present alarming proportions, which render it very difficult to deal with it effectually. Lord Ashley further stated—

I am fully convinced that for this country to encourage this nefarious traffic is bad, perhaps worse than encouraging the slave trade. . . . The opium trade destroys the man both body and soul; and carries a hideous ruin over millions, which can never be repaired.

His speech was the first great indictment of the trade in Parliament, and it was described by the *Times* as being far more statesmanlike than were the deliverances of those to whom he was opposed. It has been said that it is impossible to prevent the use of the drug entirely, because even if we prohibited its importation, it is possible to grow poppies in Australia and to manufacture opium within the country.

Mr. DEAKIN.—It has been done.

Mr. JOHNSON.—I was not aware of that, but I know that it can be done. In this connexion it should be remembered that when Li Hung Chang took the matter in hand he really advocated the cultivation of the poppy in China itself. When he found that he could not prevent the importation of the drug from India, he conceived the idea that it would be better to encourage the cultivation of the poppy in China for the purpose of cheapening the price of opium.

Mr. DEAKIN.—It is alleged that in the centre of China, poppy cultivation and opium-making have always been carried on.

Mr. JOHNSON. — I believe that that statement is true, but only to a limited extent. As a matter of fact, the poppy was cultivated in China about the period of 600 A.D., if my memory serves me accurately. But at that time the use of opium for smoking purposes was not known; it was merely cultivated for medical preparations. It was not used for smoking purposes until a much later period. About 1730 A.D. it first began to be used for

smoking, but only to a very limited extent. The effect of imposing a high tariff upon this drug was to cause it to be regarded as a greater luxury than ever, and to increase the desire of its devotees to obtain it. When once the opium habit has been acquired its victims will sacrifice almost anything to get the drug. They will even sell their own brothers, sisters, and wives in order to obtain it. For this reason, Li Hung Chang thought that by cultivating the poppy for the manufacture of opium for smoking purposes, he would be able to lessen the imports of the drug, and to encourage the use of the locally-grown article by reason of the fact that the Chinese would be able to purchase it cheaper. His idea was to discourage the importation of opium until, ultimately, he got rid of it, and then to employ internal means to suppress its use and even the growth of the poppy in China. As far as I am able to gather from a study of the subject, that was his aim in sanctioning the growth of poppies in China itself. I notice that a great agitation has been going on amongst the British people in opposition to the opium trade, and, on 9th December last, an overflowing meeting was held in Exeter Hall, London, calling upon Christians, under a deep sense of duty, to unite in a determined effort to bring our national connexion with the opium traffic to an end. I have already referred to the self-sacrificing efforts of the Chinese themselves in regard to this matter. In this connexion I wish to mention that a great meeting was recently held in the Centennial Hall, Sydney, in which prominent Chinese merchants and other Chinese residents took a leading part. That meeting was most enthusiastic, and was absolutely at one with the conveners. As far as I have been able to discover, whenever attention has been called to the evil effects of the drug, no opposition has been offered to those who desire to get rid of the traffic. Some idea of the extent of the volume of that traffic in China may be gathered from the fact that during the reign of Queen Victoria 284,582 tons of opium were exported from India to that country. These figures represent an average export of more than half-a-ton for every hour of her late Majesty's reign. These are appalling figures, and represent a terrible state of affairs. Of course, I recognise that the question of revenue is a very serious one

Mr. Johnson.

to consider in this connexion. But to me that consideration is as nothing compared with the degradation and the iniquity of a traffic of this character. I cannot conceive of the possibility of the question of maintaining a revenue from such an unquestionably harmful source being defended upon any grounds of morality, expediency, humanity, or necessity. I now wish to say a few words in regard to the report of the Royal Commission which was appointed to investigate the question of the opium trade, and from which I propose to give some brief quotations as to that trade in Burmah, India, the Straits Settlements, and China; I also desire to quote the opinions of Dr. Roth and Sir John Cockburn in connexion with the traffic in Australia. The consensus of opinion of Burmese merchants is contained in the following sentence of one of the witnesses before the Commission:—

I would say that in Burmah total abolition would be the best thing to be done, as they have done in the case of ganja.

This ganja is made from a plant which grows wild in Burmah. It was found to be so harmful in its effects that the authorities took prompt and successful measures to suppress its use. That prohibition has proved most effective up to the present time. At page 148 of the report of the Royal Commission, the following statement, in answer to question 7232, will be found:—

It is desirable to prohibit the sale of opium. People of Burma would hail such a measure with delight.

The Royal Commission summed up their conclusions as to the Burmese trade as follows:—

The Burmans are specially susceptible to injury from opium, and there is among them a popular sentiment against the habit. Special regulations have therefore been introduced, which, short of universal prohibition, seem to us as restrictive as it would be expedient for any Government to enforce.

Having regard to the fact that this Commission was largely a partial one, and favorably disposed to those who were engaged in the opium traffic, it must be admitted that this was a very serious statement. The impartiality of the Commission has of late been impugned, and startling evidence has been brought forward to support the contention of those who have questioned the accuracy of its report. Coming to the position in the Straits Settlements, we find in volume 167 of the Royal Com-



mission's report the following statement by Mr. Riecard, Superintendent of Police—

Opium smokers of the poorer class soon become physically unfit for labour, owing to not having means to support themselves with proper food. The majority become slaves to the drug.

In volume 176 we find the following statement by Surgeon-Major O'Sullivan—

Generally speaking, opium smoking, in those who persist in its use, leads to moral, physical, and social deterioration.

Mr. Koh Seang Tai, an ex-opium farmer, who was interested in the trade, and farmed out the business to others, is reported, in volume 158 of the same report, to have made this statement—

When used to any considerable extent, the consumer becomes worthless—morally, physically, and socially. . . . It is felt that the opium traffic is a stain on the fair fame of the British people, and that owing to her power in the matter, it is England's duty to mankind to efface the stain, if it be within the limits of possibility to do so.

Shaik Ensoff is reported, at page 172 of the report, as follows:—

The smokers ruin their health. Almost all the races consider the habit of consuming opium to be condemned and injurious.

I now come to the position in Hong Kong. Mr. Woodhouse, Police Magistrate, is reported in volume 191, to have said—

With regard to Chinese, the effects of any kind, whether moral, physical, or social, from taking opium, are in the direction of deterioration proportionate to the extent to which it is taken. . . . In every instance the adoption of the habit is a wound to the moral instincts of the individual, and lowers his self-esteem to the general weakening of his character.

The Acting Registrar-General made the following statement, which is also to be found in volume 191 of the Royal Commission's report:—

The Chinese become weak and anæmic, lazy and shiftless. . . . will steal in order to obtain opium, if not able to continue to buy it. The majority are inclined to be sots. The opium smoking divans are a disgrace to the Colony.

Dr. Eitel, the Inspector of Schools, is reported, at page 207, as follows:—

There cannot be, in my experience, frequent indulgence without a corresponding degree of physical, moral, and social injury.

Law Wai Chun stated that its effects were deadly—

In thus stopping the supply of opium, the whole of Asia will be benefited, and England will be carrying out the will of Heaven in protecting its children, and will receive in turn infinite blessings.

Chia-U-Tin also made the following statement, which is to be found at page 188 of the report of the Royal Commission:—

The Chinese are only too glad if the Government would adopt any method to exterminate this evil.

I propose now to quote statistics showing the value of the opium imported into the various States of the Commonwealth. In 1903-4, the value of the imports of opium into New South Wales was £16,180; Victoria, £9,438; Queensland, £24,831; South Australia, £6,196; Western Australia, £4,994; and Tasmania, £553, the total value of the importations for the year being £62,192. In Coghlan's *Summary of Customs Imports for 1903*, we find a return showing the various countries from which our supplies of opium came during that year. The return shows that 319 lbs. were imported from the United Kingdom; 21,147 lbs. from Hong Kong; 514 lbs. from India; 8,120 lbs. from Straits Settlements; 10,516 lbs. from China; 1,801 lbs. from Macao; and 10 lbs. from Dutch New Guinea; making a total of 42,427 lbs. These figures show that the consumption of the drug in Australia at the present time is exceedingly large, especially having regard to the fact that only a very small proportion of it is used for medicinal purposes.

Mr. DEAKIN.—Under 5 per cent.

Mr. JOHNSON.—I believe that upwards of 95 per cent. is used for smoking purposes.

Mr. DEAKIN.—The quantity differs in the different States, but the average quantity used for that purpose is about 95 per cent. of the total importations.

Mr. JOHNSON.—I believe that, roughly speaking, that average is correct. The House may perhaps be interested to hear briefly a few opinions on the subject by some of those who have been interested in the British Administration in China. Sir Rutherford Alcock, British Ambassador, in his despatch on the subject in 1869, said—

There is no doubt as to the frightful evils attending the smoking of opium, its thoroughly demoralizing effects, and the utter ruin brought upon all who once give way to the vice.

After twenty-five years' residence in China, he summed up his evidence before the Select Committee of the House of Commons in the words—

Every opium smoker considers himself a moral criminal.

Sir Thomas Wade, who occupied the positions successively of interpreter, Secretary

of Legation, and Ambassador in China, wrote to his Government—

It is to me vain to think otherwise of the drug than as of a habit many times more pernicious than the gin and whisky drinking which we deplore at home. . . . It has insured in every case within my knowledge the steady descent, moral and physical, of the smoker.

The Rev. Dr. Griffith John, of Han Kow, with half-a-century's experience, declares it—

An unmitigated curse, a curse physically, a curse morally, a curse socially to the individual and the nation.

Mr. W. S. Caine, a member of the House of Commons, and a leader in temperance work, after visiting India, bore the following testimony—

I have been in East-end gin palaces on Saturday nights; I have seen men in various stages of delirium tremens; I have visited many idiot and lunatic asylums; but I have never seen such horrible destruction of God's image in the face of man as I saw in the "Government opium dens of Lucknow."

Mr. PAGE.—Why should the honorable member inflict all these statements on the House, when the Government are going to prohibit the importation of opium?

Mr. JOHNSON.—I hope that they are.

Mr. PAGE.—They have said so, and therefore the honorable member is merely flogging a dead horse.

Mr. JOHNSON.—I think it desirable to place the House in possession of the opinions entertained on this question by many former British representatives in China—opinions formed by them after many years' residence, during which they gained a full knowledge of the evil effects attending the opium habit.

Mr. PAGE.—Are we not already familiar with those opinions?

Mr. JOHNSON.—Honorable members may or may not be familiar with them, but, for the benefit of those who are not, I propose to read one or two more extracts relating directly to the opium traffic in Australia. Dr. Roth, Protector of Aborigines in Queensland, in the course of his evidence before the Tariff Commission, made the following statement:—

The effects of opium upon the natives was utter demoralization of them body and soul; and they became so seized with the craving, that they sold themselves, children, women, or anything, to get it.

Sir John Cockburn, when Premier of South Australia, stated that—

From his professional experience as a medical man, he knew of large numbers, moving in

fashionable circles of society, who were addicted to it in the form of morphia, and the disastrous effects it has upon them.

These are the only quotations that I purpose reading. Had I been sure that honorable members were familiar with these matters, as the honorable member for Maranoa has suggested, I should not have dealt with them; but it is as much for the information of those who may perhaps occasionally read *Hansard*, and have not had an opportunity to study the question, that I have put this information before the House. I sincerely trust that the Government will not be deterred by any considerations as to revenue from making a serious attempt to grapple with this question, for nothing short of the prohibition of the importation of opium into the Commonwealth will be effective. If we could secure the hearty co-operation of the States in passing legislation dealing with those who sell and use the drug, and also with the houses devoted to the use of opium smokers, much would be done towards the abolition of the evil.

Mr. PAGE.—Why not do away with the opium trade altogether?

Mr. JOHNSON.—Quite so; that is what I wish to do; but if we can secure the co-operation of the States, so much the better.

Mr. PAGE.—We can prohibit the importation of opium.

Mr. JOHNSON.—It seems to me that to ask the States to take action in this direction, while we continued to allow the importation of opium into Australia, would be to call upon them to incur a responsibility which they would be unable to discharge. They may pass legislation of that character, but, so long as we allow the drug to be imported into the Commonwealth, its provisions will be evaded, just as the laws relating to the sale of liquor on Sundays are evaded. The question of loss of revenue may be put on one side altogether, because I do not think that it is the desire of this Parliament, or of the people of the Commonwealth, to obtain revenue from legalized vice. I feel sure that if the Government resolutely set themselves to secure the prohibition of the importation of opium, they will deserve, and will receive, the best thanks of the community. I trust, therefore, that legislation will be introduced at the earliest possible moment, and we can rely upon the good sense of the people of the States to back it up by any action

which they may think it wise to take in effectually stamping out this soul and body destroying, State-encouraged vice.

Mr. MAUGER (Melbourne Ports). — I sympathize with the views of the honorable member for Maranoa in this matter, and am of opinion that the Government will save time if they at once definitely state their policy on this question. In view of the petitions that have been presented to the House, and of the fact that two-thirds of its members will vote for the prohibition of the importation of opium, the Government might as well at once declare their policy in regard to the question. I shall not traverse the ground which has been gone over by the mover of the motion, because the stage has been passed when it was necessary to convince members of Parliament, or the country, of the undesirability of allowing opium to be imported. Honorable members have made up their minds on the subject, and nine out of every ten in the community are in favour of prohibition. Therefore, I hope that the Government will not ask for any postponement.

Mr. DEAKIN. — I shall only ask for the adjournment of the debate until I have received replies from the States as to their proposed action in the matter.

Mr. MAUGER. — I do not think that we should wait a single instant for either State or individual. Our clear and straightforward duty is to take steps to immediately put an end to this traffic. The States Governments would be brought into line with us by the opinions of the citizens of the States if we showed that we were in earnest by prohibiting the importation of opium.

Mr. DEAKIN. — I wrote to the Governments of the States ten days ago, and their replies should all be received within a fortnight.

Mr. MAUGER. — What was the object of writing?

Mr. DEAKIN. — Because it would be of no avail for the Commonwealth to prohibit the importation of opium if the States did not prohibit its cultivation.

Mr. MAUGER. — And it would be of no avail for the States to prohibit the cultivation of opium if the Commonwealth did not prohibit its importation. Therefore, whatever the States may do, it is clearly our duty to prohibit importation. Those who are opposed to this prohibition would oppose the prohibition of the cultivation of opium. If the Governments of the

States said that they would not prohibit the production of opium, would that relieve us of our duty to prohibit its importation?

Mr. WEBSTER. — To merely prohibit importation will only partially remedy the evil.

Mr. MAUGER. — Yes; but it is for us to apply to it what remedy we can, and then to leave it to the States Governments to do what is in their power. However, as I am assured of the sympathy of the Prime Minister, I shall not take up more time beyond seconding the motion, and expressing the hope that, if the replies of the States Governments do not come to hand very soon, this Government will at once take steps to provide for the prohibition of the importation of opium into the Commonwealth.

Mr. DEAKIN (Ballarat—Minister of External Affairs). — I shall not oppose the motion, because prohibition has my entire sympathy, and I agree with the honorable member for Melbourne Ports in the view of the duty of the Commonwealth which he has just expressed. But at the recent Hobart Conference, it was unanimously resolved by the representatives of the States—and the resolution was, to a certain extent, concurred in by the representatives of the Commonwealth—that joint action should be taken. It was thought that the States should pass Acts restricting to chemists the sale of opium within their borders, and placing the drug in the list of poisons, which, under most, if not all, of the States Acts can be obtained only under medical certificate. The States were also to do what they could in putting down opium dens and prohibiting opium-smoking, whilst the Commonwealth was to take steps to prevent the smuggling of opium, which, as honorable members know, can be compressed into small parcels of great value, and easily concealed. The late Minister of Home Affairs received a deputation on the subject, and expressed much the same views as most of us hold in regard to the end to be sought. He made a number of inquiries as to the extent of opium-smoking throughout the Commonwealth, with the result that he was informed that, though it prevails to an alarming degree, and works untold mischief, so far as statistics show, it is increasing only in the north of Queensland, amongst the aborigines, and in the northern parts of Western Australia.

Mr. MAUGER. — Those statistics are absolutely unreliable, as the honorable and

learned gentleman was informed by the deputation which waited upon him.

Mr. DEAKIN.—Statements made on the faith of police reports show the extent of opium-smoking by Europeans to have been ridiculously underestimated, but the reports of officers and the figures relating to importation indicate that the only notable increase of its use occurs in the places mentioned. In the annual report of the Chief Protector of Aborigines, Queensland, for 1904, which has just been placed in my hands by the Minister of Home Affairs, it is stated that "the degree to which opium is supplied varies greatly in different districts." The inspector remarks that one district, which he names, has "an unenviable notoriety." In the Rockhampton area "the curse appears to have reached its climax."

Protector Fitzgerald expresses the opinion that the opium traffic at the different townships lately visited by him is worse than he expected, and that at Duaringa, Blackwater, Emerald, and Clermont it could not be worse. . . . Messrs. Cutten Brothers, of Clump Point, reported that they would probably be unable to get their coffee picked during the season, owing to the blacks with their gins being enticed away by the Chinese with opium. . . . Taking the northern districts of the State alone, as compared with last year's returns, it is a sad comment on affairs that judging from an increase of approximately 15 per cent. in the number of prosecutions, the evil is not yet under control, in spite of the vigilance exercised by the police.

The Chief Protector gives a list of 212 townships where permits for the sale of opium are in force—permits which he declares to be illegal, and against the issue of which he has annually protested. The evil is real, and must be coped with; but honorable members must realize that the hearty co-operation of the States is essential. It is impossible to suppose that when the question is considered by the States Parliaments they will not agree to provide for the total suppression of the traffic.

Mr. MAUGER.—But will the Commonwealth Government prohibit the importation of opium whatever the States may do?

Mr. DEAKIN.—The honorable member for Lang adjured the Government not to be greatly concerned about the loss of revenue that would follow the prohibition of importation. About £60,000 is obtained from the duties on opium, only one-fourth of which is retained by the Commonwealth, though the remaining three-fourths—£35,000—would be a considerable loss to the States. But when what the traffic costs for its regulation is con-

sidered, and what the community loses in those who yield to the fatal fascination of the drug, from which recovery is rare, and when vaunted, as in the case of the famous De Quincey, generally doubtful, I do not think that the loss of revenue will be regarded.

Mr. WILKS.—De Quincey drank laudanum.

Mr. DEAKIN.—Precisely; as another might drink port wine. The Conference determined that the States and the Commonwealth should take joint action.

Mr. MAUGER.—That is the danger of these Conferences.

Mr. DEAKIN.—There is no danger in public conferences of representative men. At times by no other means can a way be paved for legislation.

Mr. MAUGER.—We have a clear duty to perform, and yet we are holding back because of the resolution of a Conference.

Mr. DEAKIN.—I decline to believe that the conscience of Australia differs from the consciences of the several States which make up the Commonwealth. But the representatives of the States have a right to express their opinions as to the effect of legislation on States revenue, just as we have a right to consider the effect of legislation on Commonwealth interests. We shall be paying to the States only that regard called for by the proceedings of the Hobart Conference if we write and ask them what action they propose to take in order to carry out the resolution to which they unanimously agreed.

Mr. MAUGER.—Suppose that they say that they intend to take no action?

Mr. DEAKIN.—Then the matter will be brought before this House, and honorable members will be asked to discharge their duty to the Commonwealth. We shall have definite proposals to make. It seems to me that we shall be paying the smallest courtesy to the States if, after the resolutions passed at the Hobart Conference, we ask them what they are going to do. It will be necessary for us to consult them in order that common action may be taken by the States and the Commonwealth to suppress, not only the opium traffic, but also the cultivation of the poppy. We shall want their assistance and shall require to work with them in that matter.

Mr. JOHNSON.—Can the Minister say how the revenues of the States will be affected?

Mr. DEAKIN.—The figures for 1902 show that the revenue from opium in New South Wales amounted to £21,000, Victoria £10,000, Queensland £27,000, South Australia £6,000, Western Australia £5,000, and Tasmania less than £1,000. During the following year New South Wales received £16,000, Victoria £9,000, Queensland £24,000, South Australia £6,000, Western Australia £5,000, and Tasmania £500.

Mr. WEBSTER.—Then there was a general reduction in the revenue.

Mr. DEAKIN.—Yes, happily so. As this is a revenue matter, the States are entitled to be consulted, and in the second place, we shall require their co-operation in order to make any prohibition effective, to put a stop to the cultivation of the poppy plant, and to suppress the practice of opium-smoking where it exists. We may possess incidental powers to suppress opium-smoking through the instrumentality of the Customs Department, but the States have at their hands more ready means in the police of dealing with the evil. I think that if we can join hands with the States and work in harmony with them in carrying out a reform which the moral sense of the community demands, we shall be able to act effectively.

Mr. JOHNSON.—If the States are willing to give up their proportion of the revenue derived from opium, will the Commonwealth be prepared to make a similar sacrifice?

Mr. DEAKIN.—Certainly, without a moment's hesitation. I had intended to move the adjournment of the debate so that I might have an opportunity to speak again after replies had been received from the various States, but some other Minister will be able to inform the House of the result at a later stage. I have plenty of evidence here to convince members of the necessity of taking action in this matter. I do not pretend that this is the only abuse for which action is demanded. The Premier of New South Wales at the Hobart Conference produced evidence from his medical officer, who stated that opium-smoking was not distinct from the inordinate use of stimulants. That, however, is not the question at issue. The question is whether we are not called upon to prohibit the drug, even though our action may involve a loss of revenue.

Mr. JOSEPH COOK (Parramatta).—I shall only say a few words upon this sub-

ject, because I should like to see it definitely settled at the earliest possible moment, and I believe the House is ready to vote in favour of the motion. My impression is that the Prime Minister need not defer action until he has taken counsel with the States, because I do not think that there would be the slightest demur on their part if he, on his own initiative, took the most drastic steps to-morrow.

Mr. DEAKIN.—The States' Premiers practically asked that they should be consulted.

Mr. JOSEPH COOK.—May I remind honorable members, who urge that because the revenue would be affected, some consideration should be given to the wishes of the States in this matter, that the States Governments do not consider us in connexion with movements for the reduction of the drink traffic. I believe that on this very day the New South Wales Parliament is discussing the question of local option, which means, if anything, a movement in the direction of the limitation of the drink traffic, and consequently a serious diminution of the revenue derived from it. I do not suppose that the New South Wales Government have consulted the Prime Minister as to how this movement would affect the revenue, and I think that, apart from the States altogether, this is a matter which we might very well take into our own hands. There would not be any cavil on the part of any of the States, even of Queensland, where the revenue would be most seriously affected. This is essentially a moral question. The opium traffic is a beggaring and a degrading one, and the sooner we put an end to its existence the better it will be for Australia. There seems to be only one way of dealing with this question. The traffic does not appear to be susceptible of regulation. Every one knows that it is difficult to regulate the vicious appetites of the people, particularly when they take this brutalizing and degrading form, and, therefore, I think we should consult the wishes of the people of Australia as a whole, if at the earliest possible moment we did our best to strike a blow at the traffic. The victims of the opium-smoking habit are practically incapable of earning any money or contributing to the revenue in any way, and if we could restore such persons to their own right-mindedness and make them decent, respectable citizens, we should convert them into

wage-earners and revenue producers. We should not hesitate, therefore, to put a stop to the traffic, which can only become more degrading the longer it is continued.

Mr. LIDDELL (Hunter).—I do not think there is any necessity to enlarge upon the evils of the opium habit. We are all of opinion that it is an evil which requires to be put down. I can hardly understand how any man can stand behind the bar of a public-house and sell liquor with a knowledge of the evil effects of the liquor traffic, and in the same way it is difficult to conceive how the Government can allow the opium traffic to continue for the sake of the revenue derived from it. I think the Prime Minister has taken a somewhat pusillanimous and timorous view of the matter, and that he should be prepared to at once take action. The honorable gentleman seems to think that unless the States pass laws to prevent the cultivation of the poppy plant we can do nothing. I see no reason, however, why that step should be taken. The plant may be grown for ornamental purposes in our gardens, and we may feel satisfied that no one will take the trouble to cultivate it for commercial purposes unless they can find a market for their product. We should prohibit not only the importation of the drug into the Commonwealth, but also its manufacture in our midst. If we prohibit its manufacture, no one will have the slightest inducement to cultivate the poppy plant.

Mr. CONROY.—Does the honorable member propose to prohibit the use of opium in all its forms?

Mr. LIDDELL.—No; I would still permit opium to be introduced for medicinal purposes, but the sale of such opium should be under Government supervision. By this means we might prevent the use of the drug for smoking purposes. New Zealand has already passed a law which deals very thoroughly with the evil. Their Act prohibits the importation of opium in any form suitable for smoking—nothing is said regarding medicinal opium. Provision was made in the first Act for a penalty of £100, but that was found to be insufficient, and it was subsequently increased by an amending Act to £500. Those who import opium, which may be converted into opium for smoking purposes, are required to obtain a permit. This provision is necessary because medicinal opium can be converted into opium fit for smoking.

It is required that every transaction shall be recorded at the Customs House; the penalty for default being £10. The manufacture of opium in New Zealand is prohibited, and under the amending Act of 1902 any one found with opium in his possession is liable to be punished. I would suggest to the Prime Minister that he now has an opportunity presented to him to write his name in letters of gold in the annals of his country. If he shows that he is a man of the same type as the Premier of New Zealand he will have the approval of the whole of the people of the Commonwealth, and confer an inestimable benefit on his country.

Mr. CONROY (Werriwa).—It appears to me that the argument upon this question has proceeded on altogether wrong lines. We are assuming that all we have to do is to pass an Act of Parliament when, hey, presto, all sin and misery will disappear from the world. Honorable members, in spite of their experience as to the futility of laws for putting down the evil habits of the people, are, nevertheless, ready to pass an Act for the prohibition of the opium traffic in the full belief that the evil will at once disappear. I venture to say that if we legislate on the lines proposed, the evil, so far from disappearing, will become ten times worse than ever. Four years ago, I pointed out that by imposing an excessive duty on opium we should probably encourage smuggling, and promote the illicit use of the drug.

Mr. JOHNSON.—According to the honorable and learned member, we should not prohibit robbery, because thefts will go on in spite of the law.

Mr. CONROY.—If it were proposed to imprison opium smokers for long terms the case would be different. The idea underlying all this proposed legislation is that it will put an end to the evil which it is designed to cure. I quite recognise the evils caused by the excessive use of any drug. We are asked by the honorable member for Lang to prohibit the importation of opium for other than medicinal purposes. What I desire to point out is that, although I agree with the object which he has in view, it is impossible to attain it by that means. We could exercise only an apparent limitation, and if we were to judge by the Customs returns, after we had imposed such a restriction, we should be

under the impression that not a single ounce of "smoking" opium was being introduced.

Mr. JOHNSON.—Would not that be satisfactory?

Mr. CONROY.—Not if the drug were introduced in another form, and that is exactly what has happened. To-day, opium is being more largely used than ever, and it is paying a less revenue.

Mr. JOHNSON.—Does the honorable and learned member defend the practice of obtaining revenue from that source?

Mr. CONROY.—If, by dispensing with the revenue which we derive from opium, we could put an end to the evil complained of, I say that we ought not to consider that revenue for one moment. But, although we may pass a law declaring that certain things shall be accomplished, we know very well that the desired result will not be brought about, but that very probably a still greater evil will ensue.

Mr. JOHNSON.—That is pure conjecture.

Mr. CONROY.—It is not conjecture. Four years ago I pointed out what would happen when we imposed a very heavy duty upon opium. I am just as much in sympathy as anybody can be with any steps which would abolish the excessive use of the drug. But, in the first place, I say that we cannot prevent it from being smuggled into the Commonwealth.

Mr. JOHNSON.—Mr. Lockyer, the New South Wales Collector of Customs, declares that there is very little, if any, smuggling carried on.

Mr. CONROY.—I know a very great deal better than that. Probably Mr. Lockyer would tell me that not a gallon of illicit whisky is being distilled in the whole of Australia.

Mr. JOHNSON.—I do not think that he would say that.

Mr. CONROY.—I am perfectly certain that if the quantity of opium which is being smuggled into Australia at the present time were divulged, honorable members would be surprised.

Mr. JOHNSON.—It is proposed to ask the States to deal with opium smokers and sellers.

Mr. CONROY.—It appears to me that the Prime Minister was perfectly correct in declaring that the desired restrictions were a matter for State regulation. What authority have we to interfere in a question of this kind? It is true that we can prohibit the importation of opium, but by so doing we shall not accomplish the object at which we aim.

Mr. DAVID THOMSON.—We could not prevent the cultivation of the poppy and the manufacture of opium in the Commonwealth.

Mr. CONROY.—No.

Mr. JOHNSON.—But the States themselves could do so.

Mr. CONROY.—That is an entirely different matter. The honorable member for Parramatta spoke as if it were only necessary for us to pass a Commonwealth statute, in order to accomplish the whole object of the motion. In my opinion, when we had done that, we should not even have commenced to accomplish our object. The honorable member for Hunter, I think, will bear me out when I say that probably the most valuable medicine known is opium, in one form or another. I believe that even the various soothing syrups contain a proportion of that drug. The honorable member for Lang does not propose to restrict its importation as a medicine, and, consequently, it could be used in the form of morphia. I venture to say that there are far more evil results from the excessive use of opium as a medicine than flow from its use in any other form. The report of the British Royal Commission, which went very thoroughly into this matter—

Mr. JOHNSON.—Not very thoroughly.

Mr. CONROY.—The honorable member cannot have read the evidence, because I base the whole of my deductions upon it.

Mr. JOHNSON.—A more one-sided investigation never took place.

Mr. CONROY.—That statement is not correct, and it is a slander upon the men who heard that evidence, and who endeavoured to come to an impartial decision upon it. The honorable member for Lang does not relish the finding of the Commission, because it declared that greater evils resulted from the excessive use of alcohol in European countries than attended the excessive use of opium in Eastern countries.

Mr. JOHNSON.—Does not the honorable and learned member know that the report of the Commission has been absolutely discredited by recent writers?

Mr. CONROY.—Some persons affirm that the prohibition of the sale of intoxicants in portions of New Zealand has exercised a salutary influence upon intemperance in that country. If, however, we examine the Customs receipts, we shall find that a larger revenue is being derived from whisky at

the present time than was obtained from that source prior to the enactment of the prohibition laws. When we begin to talk wildly about all that we can accomplish by legislation, I claim that we are deceiving both ourselves and the public. This Parliament alone could not legislate effectually in regard to this matter. The Prime Minister himself has made that admission, and I am bound to say that I agree with him. It is in strict accordance with fact, and, therefore, I cannot differ from him, even for the purposes of opposition. The moment the States commence to deal with the question we may be able to assist them in regulating the opium traffic. If, however, we suddenly prohibit the importation of opium for smoking purposes, we shall, I am sure, have the evil complained of perpetuated in other forms. The honorable member for Hunter, the honorable member for Laanecoorie, the honorable member for Corangamite, and the honorable member for Brisbane will surely confirm my statement that it is possible to take opium in a dozen forms, either as morphia, morphine, or chlorodyne. If we legislate in the direction proposed we shall induce the excessive use of the drug in those forms, making it more difficult for us to deal with the evil.

Mr. JOHNSON.—Opium cannot be smoked in those forms.

Mr. CONROY.—But its excessive use in any one of those forms is just as harmful to the individual as is its excessive use by smoking. I do not suppose that one person out of every five, who suffers from the inordinate use of opium, indulges in the smoking of the drug.

Mr. LIDDELL.—Does the honorable and learned member mean to say that its importation in other forms could not be prohibited, to a certain extent?

Mr. CONROY.—I do. The honorable member must know of many cases in which the excessive use of morphine has been most injurious to the person concerned.

Mr. LIDDELL.—It should not be dispensed without a doctor's prescription.

Mr. CONROY.—If we suddenly prohibit the importation of opium we shall not prevent its entry into the Commonwealth. Let me give a case to illustrate my point. Some time ago, a good many boxes of preserved ginger—or what was thought to be preserved ginger—were being introduced into Melbourne; but every one of those jars

was so formed that the bulb which ran up the centre was made very large, and in these bulbs a large quantity of opium was secreted. As honorable members are aware, a large quantity of pure opium can be imported in a very small space, and the drug was being surreptitiously brought in in that way. The more we seek to prohibit the traffic the greater will be the incentive to smuggling. In this connexion, I would remind honorable members of the action taken by the Parliament when it was suggested that a heavy duty should be imposed on diamonds. As a matter of fact, we refused to pass that duty, not because we held the opinion that they should not be subjected to taxation, but because we were satisfied that the imposition of the duty would lead to smuggling.

Mr. JOHNSON.—It is proposed not to impose a higher duty on opium but to prohibit its importation.

Mr. CONROY.—That is so, but since we refrained from imposing a duty on precious stones lest the result might be to increase smuggling, surely it cannot be justly said that the prohibition of opium would lead to the suppression of the traffic in Australia. Some years ago the Queensland Parliament imposed a duty on diamonds, and I was told by the head of a large jewellery establishment in Brisbane that some time later, the Treasurer of that State asked him why no revenue was being obtained from that source. The gentleman in question replied, "We have given up the direct importation of precious stones; and now buy them locally." To this the Treasurer replied, "But the stones must have been imported and should have paid duty." "That is a matter into which we do not inquire," said the head of the jewellery establishment. "We do not encourage smuggling, but we buy precious stones from those who offer them to us." Surely if the imposition of a duty on diamonds failed to prevent smuggling in Queensland, an attempt to prohibit the importation of opium into the Commonwealth would be equally unsuccessful. I hold that we ought not to play the part of hypocrites. Those who have not had time to consider the question, should not be led to believe that we can stop this traffic. In all fairness, we ought to say to the people, "We agree that the evil should be stopped, but are practically satisfied that prohibition would not have that result."



Mr. JOHNSON.—Will the honorable and learned member suggest another means of remedying the evil.

Mr. CONROY.—I cannot, but I feel confident that the adoption of the proposal made by the honorable member would not have the desired effect. We should simply lose the revenue now derived from the duty on opium and the evils arising from the traffic would not be mitigated. I should be prepared to sacrifice the revenue derived from the duty on opium, if by prohibiting the trade we could put an end to the evil; but I am satisfied that prohibition would really intensify the evil. Probably, far greater injury arises from over-eating than from any other evil habit.

Mr. HUME COOK.—Over-drinking is worse.

Mr. CONROY.—It is certainly much more repulsive so far as appearances go, but we cannot by legislation put an end to these and kindred evils. Under the present system, there is more chance of grappling with the evils arising from opium smoking, than there would be if we prohibited the importation of the drug; for smuggling would be successfully carried on, and we should have difficulty in coping with it. It is not because I have no desire to see the evil abolished, but rather because I hold that the suggested legislation would be fore-doomed to failure, that I oppose the motion.

Debate (on motion by Mr. AUSTIN CHAPMAN) adjourned.

## HOME RULE FOR IRELAND.

Debate resumed from 17th August (*vide* page 1128), on motion by Mr. HIGGINS—

That an humble Address be presented to His Majesty as follows—

MAY IT PLEASE YOUR MAJESTY:

We, Your Majesty's dutiful and loyal subjects, the members of the House of Representatives, in Parliament assembled, desire most earnestly in our name and on behalf of the people whom we represent, to express our unswerving loyalty and devotion to Your Majesty's person and Government.

We have observed with feelings of profound satisfaction the evidence afforded by recent legislation and recent debates in the Houses of Parliament of the United Kingdom, of a sincere desire now to deal justly with Ireland; and in particular we congratulate the people of the United Kingdom on the remarkable Act directed towards the settlement of the land question, and on the concession to the people of Ireland of a measure of local government for municipal purposes. But the sad history of Ireland since the Act of Union shows that no British Parliament

can understand or effectively deal with the economic and social conditions of Ireland.

Enjoying and appreciating as we do the blessings of Home Rule here, we would humbly express the hope that a just measure of Home Rule may be granted to the people of Ireland. They ask for it through their representatives—never has request more clear, consistent, and continuous been made by any nation. As subjects of Your Majesty we are interested in the peace and contentment of all parts of the Empire, and we desire to see this long-standing grievance at the very heart of the Empire removed. It is our desire for the solidarity and permanence of the Empire, as a Power making for peace and civilization, that must be our excuse for submitting to Your Majesty this respectful petition.

Mr. WILKS (Dalley).—When this question was under consideration some days ago I occupied the last few minutes of the time set apart for the consideration of private members' business, and the House granted me leave to continue my remarks to-day. I was then entering upon a reply to the able arguments that had been put forward so calmly and dispassionately by the mover of the motion and the honorable and learned member for Angas, and urged that the mere fact that the motion was a lengthy one should in itself be sufficient to arouse suspicion. I pointed out that it was really a gilded pill; that the motion was nicely worded; and that the speeches of those who had supported it had been characterized by good taste and expressions of goodwill towards the Empire. If all the advocates of Home Rule simply desired the introduction of the system suggested by the honorable and learned member for Northern Melbourne and the honorable and learned member for Angas, there would be very little necessity to debate the question. But the position is different. In the first place, I think, for reasons which I shall presently submit to the House, that the motion should not have been introduced at all; but, inasmuch as it has been moved and supported, it becomes my duty, as one who is opposed to it, to combat the arguments that have been submitted in favour of its adoption. In the honorable and learned member for Northern Melbourne and the honorable and learned member for Angas the motion finds two doughty champions. Their astuteness, their legal training, and their ready flow of arguments make them formidable antagonists, but I shall endeavour to show the House why I, and those who think with me, oppose Home Rule for Ireland, as advocated by the present leaders of the movement. If those who are prominently identified with the

agitation for Home Rule in the old world were as philosophical as are those who have supported this motion, there would be little to fear from the carrying out of the proposition. I feel satisfied that if the members of the Imperial Government who are opposed to the granting of Home Rule for Ireland were convinced that its advocates all shared the views of the honorable and learned member for Northern Melbourne and the honorable and learned member for Angas, their opposition to the proposal would be considerably modified. When the matter was previously under consideration, I pointed out, in reply to the honorable and learned member for Northern Melbourne, who had quoted the remarks of the younger Pitt, that Pitt's policy had not been carried out, and he admitted that that was so. We find, in the concluding paragraph of the motion, the statement that—

Enjoying and appreciating as we do the blessings of Home Rule here, we would humbly express the hope that a just measure of Home Rule may be granted to the people of Ireland.

I would point out, however, that we have Home Rule in Australia as a part of the Empire, while the advocates of Home Rule for Ireland, according to their most recent statements, seek "Home Rule with separation."

Mr. CONROY.—That was not so in the statement of Mr. Redmond.

Mr. WILKS. — If the honorable and learned member will permit me to deal with the subject in my own way, he will see that I am furnished with the most recent utterances of advocates of Home Rule in England to prove that their ideal differs from that of the honorable and learned members for Northern Melbourne and Angas. With regard to the words "just measure," the first question which arises is, "Who is to define a just measure?" Is that system just which is advocated by the honorable and learned member for Angas, who says that Ireland is prepared to receive a subordinate Parliament? What she asks for is a co-ordinate Parliament. She will not be satisfied with an extension of municipal government, because, under the Acts of 1903, she possesses advanced local government and advanced land legislation. My argument against interference is twofold. The honorable and learned member for Northern Melbourne says that Australia has already interfered in matters in which she is not concerned, and instanced our action in sending troops to the Transvaal, and in

protesting against the employment of Chinese on the Rand. But in that interference we were justified, because, in the first case, thousands of our citizens had gone to the Transvaal, and, in the second place, we had had experience of the effect of allowing large numbers of Chinamen to come into the country, which the people of the United Kingdom had not had. The last sentence of the motion reads—

It is our desire for the solidarity and permanence of the Empire, as a power making for peace and civilization, that must be our excuse for submitting to Your Majesty this respectful petition.

As I have already pointed out, the phraseology there employed is similar to that used by Daniel O'Connell, and, in an interjection, I charged the honorable and learned member for Northern Melbourne with having, consciously or unconsciously, almost cribbed the exact language employed in several of the speeches of that famous man. When, during the honorable and learned member's speech, I interjected that a large part of the Irish do not wish for Home Rule, he replied that I interjected officially, as leader of the Orange organization in New South Wales. I am sorry that he referred to that organization, and suggested that I am not a free agent in this matter. To say that I am not a free agent is as true as to say that he is not, and that he moved the motion at the dictation of the local Hibernian Society, and by direction of Archbishop Carr. I am as free in this matter as he is, and take full responsibility for my utterances; but I am sorry that he made that reference to the Orange institution. He further said that in 1800 the Orange lodges opposed the Union; but there he is wrong in his history, because Daniel O'Connell, speaking at the time, said that it was the Orangemen who caused it to be brought about. The honorable and learned member supported his motion by a very weak argument when he said—

I say, too, speaking now to members who have had to face elections in all parts of Australia, that we have a direct interest in removing this cause of friction from our Australian issues.

Do those who wish for Home Rule think much of an advocate who brings that forward as a reason?

Mr. TUDOR.—Why does the honorable member oppose the motion?

Mr. WILKS.—Because I am absolutely opposed to Home Rule. But I deny that it is a cause of friction in Australia, though, even if it were, the honorable and learned member for Northern Melbourne would have

placed himself in a most humiliating position in asking this House to vote for the motion on grounds of personal convenience and interest, to remove a cause of friction from Australian issues. The honorable and learned member said—

All I am asking for is a just measure of Home Rule. The decision as to what is just must be left to those who have the power.

Do the believers in Home Rule ask for a just system? What they ask for is Home Rule, and I warn them to beware of those who would modify the request by asking for a "just" system. It is the Imperial Government which has the power in this matter, and the question should be left to them for decision. The honorable and learned member drew a harrowing picture of the dire distresses of Ireland, and in support of his statements said—

I do not know that I can appeal to any statistical authority higher than Sir Robert Giffen—a man whose motives cannot be impugned, and whose skill is proverbial—a man who is himself a unionist.

The honorable and learned member accepts the authority of this great statistician in regard to Home Rule, but he refuses to take it in regard to the fiscal question. He said—

The union between Great Britain and Ireland is an admitted failure—conceived in blunder, consummated in fraud, and maintained to the discredit and the damage of the people of the Empire.

There, again, is a striking similarity between the words he employs and those of another Irish advocate of Home Rule, Mr. John Devlin, M.P., who, on the 14th July, is reported in the *Galway Observer* to have said of the Union, "It was born of treachery and corruption." The honorable and learned gentleman appealed to our sympathies by the sad picture which he drew of the depopulation of Ireland, but I ask, Are the only emigrants from the United Kingdom Irishmen? Have not Englishmen, Scotchmen, and Welshmen also left their native country, and gone to other parts of the world? Is not the bulk of the population of the United States English, or of English descent. And is not the bulk of our population of English descent? But we do not find Englishmen, Scotchmen, or Welshmen when abroad posing as exiles from their native land. They do not pretend to stand, with streaming eyes, on the shores of foreign countries, deploring their absence from the country of their birth. Irishmen, like others, go abroad for their own advantage and gain,

and they, and their descendants are glad that they have come to Australia to settle. It is merely to play on sentiment to speak of them as exiles. If all Irishmen felt in that way, why do not men like the honorable and learned member and the honorable and learned member for Angus, who are able to do so, return to the Emerald Isle? Personally, I should be very sorry if either of them were to leave the Commonwealth. But although the honorable and learned member for Northern Melbourne expressed so much concern about the depopulation of Ireland, I understand that he is prepared very shortly to vote for the appointment of a High Commissioner, one of whose duties will be to try to induce the people of the United Kingdom to emigrate to Australia.

Mr. HIGGINS.—I wish them to come here with friendly hearts.

Mr. WILKS.—How is it that Irishmen in America and Australia always profess hatred of England, while Englishmen, Scotchmen, and Welshmen have only kindly feelings for the land which they have left? I do not intend to turn back the dark pages of history; I am dealing only with things as they are to-day. Then, again, although the honorable and learned member deplored and bewailed the decay of Irish manufactures, he, as a protectionist, has always refused to open the doors of Australia to Irish goods. Why does he not prove his sympathy in a practical way, by assisting those of us who would make Australia free to the commerce of the world to open her ports to Irish manufactures? If the honorable and learned member for Northern Melbourne means to convey anything, he surely desires that the Union shall be dissolved. If he does not so desire, I cannot see how his advocacy of Home Rule can be of any use to those who are in the forefront of the Irish national movement. Now let us look at the conditions existing in Ireland to-day under the Union with Great Britain. The conditions under British rule are the same in the North as in the South of Ireland. The people in both parts of the island have to obey the same laws.

Mr. RONALD.—Oh.

Mr. WILKS.—I presume the honorable member will acknowledge that the people in the North and South of Ireland are subject to the same Constitution and the same laws.

Mr. RONALD.—I shall prove presently that they are not.

Mr. WILKS.—How is it to be accounted for that Antrim and Down are prosperous, whilst Wexford and Kilkenny are not? Why is it that Belfast is prosperous, and Cork and Galway are in distress?

Mr. MAHON.—How does the honorable member account for it?

Mr. WILKS.—I do not pretend to account for it. It cannot be claimed that the South is any less fertile, or its resources any less than those of the North. As a matter of fact, in both respects, the South has, if anything, an advantage over the North. The honorable and learned member for Northern Melbourne said that Pitt's prophecy with regard to the Union had not been fulfilled. I shall now quote from a prediction of Daniel O'Connell to show that he also was wrong. He said—

There lives not a man less desirous of a separation between the two countries—there lives not a man more deeply convinced, that the connexion between men, established upon the basis of one King and separate Parliaments, would be of the utmost value to the peace and happiness of both countries, and to the liberties of the civilized world.

Gladstone also, when advocating Home Rule for Ireland, was ever wont to point to the conditions existing in Sweden and Norway as constituting an argument in favour of the dual system of Government proposed to be applied to Ireland.

Mr. HIGGINS.—Sweden and Norway had not Home Rule; they were two independent kingdoms.

Mr. WILKS.—Mr. Gladstone said—

Not discord, not convulsions, not hatred, not aversion, but a constant growing sympathy, and he ventured to predict that the tie between men would never be broken.

Those were his remarks with regard to Norway and Sweden. Daniel O'Connell asked for separate Parliaments under one Government, and did not want separation. Gladstone advocated the adoption of the system under which Norway and Sweden were working.

Mr. CROUCH.—He did not advocate the adoption of that system, but made merely a casual reference to it.

Mr. WILKS.—The Union between Sweden and Norway was formed in 1814, each country being under its own Government, its own Constitution, and its own code of laws. The economic doctrine of

Sweden was protection, and that of Norway was free-trade. The analogy between Sweden and Norway, and Great Britain and Ireland, was almost perfect, and I can quite understand Mr. Gladstone referring to the former countries. But history shows that the Union of Sweden and Norway was productive of ever increasing discord, which, after twenty-five years of agitation, resulted in separation a few months ago. The Norwegians were not animated by any spirit of animosity to King Oscar, but the majority of the Irish Nationalists certainly express hatred of King Edward VII.

Mr. RONALD.—That is a slander.

Mr. WILKS.—It is not a slander, because I shall show from their own speeches that what I say is perfectly true. Norway and Sweden existed under a dual system of government for ninety years, and a dissolution took place, as I have said, only a few months ago, as the result of the verdict of an overwhelming majority of the electors. The only members of the Storting who opposed the movement were five Socialists. The referendum resulted in something like 400,000 persons voting in favour of the dissolution, whilst those against it numbered only 182. One of my arguments against granting Home Rule to the Irish people is that they are aiming at separation from Great Britain. There is no use in beating about the bush, so far as that is concerned. They wish to establish a separate Parliament, not only with legislative power, but with Executive force. The honorable and learned member for Angas admitted that; but he suggested as a solution of the difficulty that there should be a Federal Council; that Scotland, Wales, England, and Ireland should each have its Parliament, and that over them all should be a Federal Council. We have a Federal Parliament here, and our experience has not been altogether a happy one. This, however, is not the system advocated by the Irish Nationalists, but is merely the solution proposed by the honorable and learned member for Angas. The weakness of the dual system of government has also been shown in Austro-Hungary. The Emperor of Austria is highly respected, and it is said that he exercises a great influence for peace in Europe. He is popular with both Hungarians and Austrians; but the dual system of government imposes an everlasting strain upon the people, and the union may

be broken up at any time. Those who study European politics must bear out what I am now saying. I am now endeavouring to show the evils of dual government. Lord Rosebery, speaking on this subject during the current year, said—

I know it is said the views I have expressed are inconsistent with sympathy for Ireland. I do not agree with that view. Our view, as statesmen and legislators, is to do the best that we can for Ireland, and if we do not believe, from contemporary experience, that the measures contemplated at one time would now do good to Ireland, we are not to be accused of want of sympathy with her. We know her long sorrows; we know the crushing injustice to which she was subjected for centuries, but we also feel that we have done something to redress the balance, and that a country which has given them the freest county institutions in the last few years, and which has within the last two years pledged its credit to no less than £112,000,000 to redeem the soil of Ireland from any reproach of ownership to which it was liable, is not particularly subject to any reproach of not being sufficiently attentive to the wrongs of Ireland. My view, in a word, is this—I leave here for a moment my character of a city voter—that you may give much to Ireland—and in that respect we have at any rate the example of the recent dealings of the present Government with Ireland—you may do her inestimable good by proceeding on the grounds of administrative reform, but there is one thing to which no serious statesman would ever expose this country, and that is, the curse of dual government at the heart of the Empire. You see by the long protracted crisis in Norway and Sweden—I am not going to say who is right or wrong—you see by the constant crises which seem to have assumed almost a permanent character in Austria-Hungary—that are the results of dualism—vultures gnawing at the very vitals of the Empire, and we may be forgiven if we will not expose our Imperial heritage and Imperial future to any such danger.

That speech was delivered before the result of the referendum in Sweden and Norway was known. I say that, instead of making for the peace of the Empire, the granting of Home Rule to Ireland would make for the pieces of the Empire. If the honorable and learned member for Northern Melbourne desires to cause disruption and trouble, he is going the right way to bring it about. I have asserted that the advocates of Home Rule desire separation from Great Britain, and I shall produce proofs in support of my statement. I can understand Irishmen who believe in Home Rule asking for separation; but I cannot understand how proposals such as those which have been presented to this House, could be accepted by the Irish people. Parnell, in his celebrated declaration in 1880—and

no one will deny Parnell's power with the Irish people—said—

None of us will be satisfied until we have destroyed the last link which keeps Ireland bound to England.

Then Mr. William Redmond, M.P., who was recently in Australia—another authority on the question—when addressing the House of Commons on the Franchise Bill, said—

You need not think that this Bill, if carried, will stay the movement for separation. We will never cease that agitation until we fully attain our object.

On 31st January, 1883, Mr. Redmond said—

We look upon no concession as adequate until we have reached the goal of national independence.

Mr. RONALD.—Parnell referred in the first case to the legislative link.

Mr. WILKS.—It is legislative bunkum, so far as that member is concerned. Mr. John Redmond, who was leader of the Nationalists in 1885, said, "Perish the Empire! Live Ireland!" Was it a legislative "perish" that was then referred to? Do these men speak in such subtle phrases that we cannot understand them? Then, again, Mr. Dillon, on 30th January of this year, is reported in the *Cork Examiner*—I take these extracts from Irish, and not from English papers—as having stated at a meeting held at Thurles—

That grand meeting in the heart of the great county of Tipperary reminded him of twenty-five years ago, and he took it as a sign of the national revival in Tipperary, as in the other counties of Ireland, which would sweep before it all vestiges of English rule in Ireland. They never would have in Ireland a really prosperous and happy land until that rule was swept clean out of it.

Mr. RONALD.—Hear, hear!

Mr. WILKS.—Does the honorable and learned member for Northern Melbourne say that that is his idea of Home Rule? He is so fond of Home Rule that he cannot even interject an affirmation.

Mr. HIGGINS.—It is disorderly to interject.

Mr. WILKS.—To the friends of Home Rule let me commend the attitude of the honorable and learned member for Northern Melbourne, who, when asked a straight question, replies, "I cannot interject." He would not venture to be even a little disorderly on behalf of the cause he espouses. He knows very well that if he affirmed the resolution which I have read, the motion

under consideration would not pass this House. The honorable and learned member is such a great friend of the Irish and of the Irish cause that he cannot answer a pertinent question. Quite recently he stated that I had no freedom of action. I ask him where his freedom of action comes in, seeing that he cannot interject even a "Yes," or a "No."

Mr. HIGGINS.—If the honorable member does not occupy too long I shall get an opportunity of replying to him.

Mr. WILKS. — The honorable and learned member can reply by a "Yes" or a "No." I wish now to quote a statement made by Mr. Devlin, M.P., upon 25th January last.

Mr. TUDOR.—Who is Mr. Devlin?

Mr. WILKS.—If the honorable member is acquainted with the subject of Home Rule, these names ought to be as familiar to him as are his nursery rhymes. He is a lovely specimen of a Home Ruler, seeing that he does not know even the names of the advocates of that cause.

Mr. RONALD.—The names of those advocates are all that the honorable member does know.

Mr. WILKS.—I am familiar with their speeches and their characters. Mr. Devlin in the *Kilkenny Journal*, said—

He appealed to them as lovers of their country, and as men anxious to lift her from the slough into which she had been reduced by the tyranny and oppression of centuries, to rally their forces together, and there, as in other parts of the country, make British Government impossible, as the most effective means of ridding the country of the greatest curse that ever plagued a nation.

Thus we learn that British rule is to-day considered the greatest curse that ever befel a nation. Yet we are told that Home Rule will make for the strength and peace of the Empire. These are the statements of the prominent men in the Home Rule movement. I now propose to deal with the power behind them. I intend to take the United Irish League as it exists in Ireland to-day, and to compare the character of its advocacy with that of the honorable and learned member for Northern Melbourne and the honorable and learned member for Angas. I wish to make it clear that their desires in this connexion are not likely to meet with the wishes of the advocates of Home Rule in Ireland. The United Irish League is the official party organization of what is known in the House of Commons as the "National" party. It is that party's fighting organization, and

it is composed of the electors of Ireland who believe in the system of Home Rule, advocated by the men to whom I have already referred. Upon 21st January of the present year the report of the Kinwarra branch of the league appears in the *Clare Champion*—

The treasurer of the branch announced:—Clonascree and Cartron will not be behind when the collection is finished, neither will Dungora. The town collectors will start on next week, and, as they are men of grit, 'tis to be hoped they will take no "soft sawder." . . . A rigid scrutiny will be kept of the payments made, and any one refusing to subscribe will appear in the list of defaulters to be published.

I quote that to show that the League takes good care that nobody shall stand outside of its ranks.

Mr. HIGGINS.—From what newspaper is that statement quoted?

Mr. WILKS.—From the *Clare Champion* of 21st January last.

Mr. TUDOR.—Has the honorable member got the paper?

Mr. WILKS.—Yes.

Mr. HIGGINS.—I should like to see it.

Mr. WILKS.—The honorable and learned member is doubting my authority. I have quite as much right to doubt the accuracy of his statement when he quoted Fox—a most miserable authority upon this question. The United Irish League is either copying the rules of the Labour Party in Australia, or that party is copying its rules. Possibly that fact may account for the great warmth of the sympathy which members of the Labour Party profess with the cause of Home Rule. The United Irish League is a beautiful specimen of a free agency—if a man does not pay up, he is marked down as a defaulter.

Mr. WILSON.—Does the honorable member call that a black-list?

Mr. WILKS.—The honorable member may call it what he likes. Another branch of the League—the Clostown Branch—upon 29th January, carried the following resolution:—

That we give this, our final warning, to every member of this branch that they will not be allowed to retain their cards of membership if they support or associate with non-members.

If they associate with non-members they will not be allowed to retain their cards of membership! Under such circumstances will they be prepared to accept the milk-and-water resolution submitted by the honorable and learned member for Northern Melbourne? Upon a former occasion, I

asked him whether he had brought forward this motion merely for debating society purposes, or with serious intent, and he replied that he had submitted it with serious intent. He said that he hoped to get it forwarded to the Imperial authorities as the deliberate expression of the opinion of this Parliament. By resolution the members of the United Irish League have declared that they require exactly what their leaders have demanded, namely, a separate Parliament, with legislative power and authority equal to our own. In Australia, we have power to raise an army and navy, if we can find the money. The honorable and learned member for Northern Melbourne and the honorable and learned member for Angas both deny that the Irish people desire power to be given to an Irish Parliament to create a separate army or navy.

Mr. RONALD.—That proposal was not contained in Mr. Gladstone's Home Rule Bill.

Mr. WILKS.—No, but the Irish people declare that they will not accept Mr. Gladstone's Bill.

Mr. RONALD.—They have never said so.

Mr. WILKS.—I can show that they have said so quite recently. Surely the Imperial authorities know the requirements of the Irish people better than we do. Are we to understand that the position of the Saxon, with his foot upon the throat of the Celt, still obtains? I ask the honorable member for Coolgardie whether he thinks that the British Parliament to-day entertains the same opinion upon this question as it did twenty years ago?

Mr. MAHON. — I have not been there lately.

Mr. WILKS.—But the honorable member is familiar with what is going on. He took an active part in this movement with Mr. Parnell, and he must know that the opinion of the Imperial Parliament in regard to it has undergone a change. The cry that the Saxon wishes to get his foot upon the throat of the Celt does not hold good now. I wish to show that those who are foremost in the Home Rule ranks are absolutely in favour of separation from the mother country, and, as a citizen of Australia, I am opposed to anybody who would bring about the disintegration of the Empire. I will now quote from the utterances of the notorious Pat Ford, an earnest, outspoken Irishman. The honorable member for Coolgardie knows his name very well, and he cannot deny that he is an earnest, straight-out Irishman.

Mr. MAHON.—He is more an American than an Irishman.

Mr. WILKS.—The United Irish League look to him for assistance in Irish matters. They regard him as one of their leading lights. The *Connaught Leader* of 4th February says of the notorious Pat Ford—

England has displaced our race, not destroyed it; England robbed us in the old world, and she villifies us in the new. But the day of reckoning will come. And, oh! when it does come. What deeds worthy of the opportunity will be enacted! What sweet revenge will be taken! Greater Ireland—thirty millions of the American people long for that opportunity. The Irish world has raised many funds for Ireland. Some were for those in distress, some were for the Home Rule cause, and other sums were to be used at the discretion of the recipients. Whether they used the money for parliamentary purposes or for dynamite, or for both, we didn't ask.

Yet I am told by the honorable member for Northern Melbourne that the advocates of Home Rule to-day are animated by friendliness towards the United Kingdom.

Mr. CROUCH.—Ford always advocated physical force.

Mr. WILKS.—I will come to the question of physical force presently. I have quoted a few statements upon the political aspect of Home Rule by its advocates—so far as the South of Ireland is concerned. I have shown that their desire unquestionably is to establish a separate Parliament, and to obtain separation from England. If the honorable and learned member for Northern Melbourne believes that the existing Union is productive of all the misery which he has pictured he should fight for its repeal. If he does so, he will be found in opposition to the right honorable member for Swan. The latter has affirmed that we ought not to take a vote upon this matter because he has some Irish friends. Why should I not take up a similar position? He must hold opinions either for or against Home Rule. Let him boldly declare upon which side he is. Everybody is aware that I am an opponent of Home Rule. The right honorable member for Swan is equally an opponent of this motion, but he does not wish to make ill friends over it. I might as well argue that honorable members ought not to vote in favour of free-trade because by so doing they may offend their protectionist friends. As a citizen of Australia, I am opposed to this motion. I do not believe that it is in the interests of the people of Ireland that it should be carried; but, even if it be carried, it will not be acceptable to those who honestly advocate Home Rule, as we know it. Then

there is another danger to be apprehended. Everybody knows that upon this question the North of Ireland is opposed to the South of Ireland. Mr. Gladstone admitted that there were 2,000,000 Irish people who were opposed to Home Rule. This admission was made by Mr. Gladstone in a speech which he delivered in 1886.

Mr. RONALD.—Two millions? What is the total population of Ireland?

Mr. McWILLIAMS.—About 4,750,000.

Mr. WILKS.—That is so. My opposition to the motion is founded on good reasons. The people of the North of Ireland object to Home Rule being granted, while those of the South of Ireland are crying out for it. In these circumstances, why should the Parliament of Australia step in to decide the matter?

Mr. RONALD.—The people of the North of Ireland do not object to Home Rule.

Mr. WILKS.—If the honorable and learned member for Northern Melbourne had desired to inflame sectarian feeling in Australia he could not have done better than submit this proposition to the House. If his desire is to create party strife, then he certainly has taken a right step. If the motion be rejected, as I hope it will be, those who are in favour of it will immediately form themselves into camps to support the project in view, while, on the other hand, if it be accepted, its opponents will marshal themselves into line to combat the granting of Home Rule. It will thus be seen that this motion cannot be attended with good results to those who believe in the principle, but, on the contrary, is calculated only to foment sectarian differences in Australia. Those who really believe in Home Rule for Ireland cannot support the measure of Home Rule suggested by the honorable and learned member for Northern Melbourne, while, so far as those who are opposed to the principle are concerned, this motion is merely an attempt to throw the apple of discord into the arena. If I could put an end to sectarianism I should be ready to go a long way to do so. I know that this statement will not be accepted by many in the House, as well as out of it, but I make it in all sincerity. Had those who favour Home Rule desired to encourage the party to which I belong, they could not have taken a better step than they have done in this instance. The straight-out supporters of Home Rule for Ireland will object to the proposal embodied in the motion as a milk-

and-water one, while those who are against it will certainly oppose it in the interests of peace. Either the difficulties under which Ireland labours, according to the honorable and learned member for Angus, must be very trivial, or the solution which he suggests is a very weak one. We know that the Imperial Parliament has, within a comparatively short time, agreed to a measure by which up to £100,000,000 may be advanced to enable tenants to buy their own holdings on easy terms, as well as £12,000,000 by way of a bonus on the purchase price to induce landlords to sell. In this way, as well as by the passing of the Local Government Act, giving the Irish people free institutions in the shape of County Councils, the Imperial Parliament has done much to remedy the troubles which formerly existed in Ireland. Although the people of the North of Ireland are bitterly opposed to Home Rule, we are urged to step into the arena, and to ask that it be granted. The honorable and learned member for Northern Melbourne said that we had a knowledge of the position of Ireland. Does he really think that that is so?

Mr. HIGGINS.—If the honorable member had he would vote with us.

Mr. WILKS.—I have compared the statements made by the mover of the motion and the honorable and learned member for Angus with those of prominent supporters of the movement in the old world, and have endeavoured to combat their arguments. I have no desire to see the present struggle continued. No one could wish to see one part of the British race pitted against another, but I am satisfied that the proposal made by the honorable and learned member for Northern Melbourne would not provide a solution of the difficulty. The people of the North of Ireland say that they are opposed to Home Rule, because they believe it would lead to clerical interference in secular matters.

Mr. HIGGINS.—The independent Orangemen, according to the *London Times*, say that to refuse to grant Home Rule is really to play into the hands of the priests.

Mr. WILKS.—I do not know whether the honorable and learned member, when he speaks of "the independent Orangemen," wishes to suggest that I am nothing better than a base slave. I am just as free as he is to act in this matter as my conscience dictates. As a matter of fact, an independent Home Ruler would not talk



as he has done. In support of the contention of the people of the North of Ireland that Home Rule would lead to clerical interference in secular matters, I desire to point out that out of ninety-six meetings which were held under the auspices of the United Irish League, between the 21st of January and the 15th of February last, eighty-three were presided over by priests. At thirty of these meetings priests were speakers in favour of the resolutions submitted, while in fifty-six other cases they were supporters of the proposals. I think it is well for me to say at this stage that, in my opinion, a priest is just as much entitled as is any other elector in the community to exercise his civil rights, but it is somewhat singular that interference in secular matters on the part of one section of the clergy is described as "sectarian interference," while such interference on the part of those on the other side is said to be only the due exercise of a civil right. I hold that priests and parsons are just as much entitled to exercise their civil rights as are any other class of men; but the people of the North of Ireland have had so many evidences of interference on the part of the priests of the South of Ireland that they are strongly opposed to the granting of Home Rule. I have taken an extract from a speech made by a clerical gentleman, in order to demonstrate to the honorable member for Southern Melbourne, who was at one time an ecclesiastic—

Mr. RONALD.—And is.

Mr. WILKS.—I am glad to hear it. But for the honorable member's statement I should not have known that he was still an ecclesiastic, so well has he succeeded in disguising that fact. The honorable member holds certain views in regard to this question, and I now wish to put before him a statement made by another ecclesiastic—the Rev. Father Casey—who is reported in the *Limerick Leader* to have made this statement on 10th of June last—

They would secure Home Rule by the aid of a fighting party in the House of Commons. He would as quickly advocate a physical force policy, but he saw no prospect of its success.

Surely I am not to understand that this reverend gentleman was not speaking the truth? And can it be said that the statement I have just read gives evidence of a feeling of friendliness towards England?

Mr. HIGGINS.—It is the refusal of Home Rule for Ireland which makes statements of that sort possible.

Mr. WILKS.—All that has been refused Ireland is Home Rule with separation. The Imperial Government have shown their readiness to give her every freedom except that incidental to separation. If Ireland were granted the measure of Home Rule that Australia and Canada enjoy, she would need a navy and an army. We should refuse to give them those powers.

Mr. HIGGINS.—The Home Rule Bill which was accepted by Parnell had a provision against that.

Mr. WILKS.—That was not the Home Rule Bill accepted by Mr. Redmond and other present-day supporters of the principle.

Mr. HIGGINS.—They hope to secure a better one.

Mr. WILKS.—And that better one is a Bill granting to Ireland a co-ordinate Parliament.

Mr. HIGGINS.—The honorable member will find no responsible person advocating a co-ordinate Parliament.

Mr. WILKS.—I have read extracts from statements made by John Dillon, John Devlin, John Redmond, and the United Irish League, which bear out my contention. According to the honorable and learned member, the United Irish League is not responsible for the utterances of John Redmond, but he himself must be held responsible for them.

Mr. HIGGINS.—None of those authorities have supported or asked for a co-ordinate Parliament.

Mr. WILKS.—I have shown that they ask for a separate Parliament.

Mr. HIGGINS.—Can the honorable member give a single instance in which a request for a co-ordinate Parliament has been made?

Mr. WILKS.—Yes.

Mr. HIGGINS.—Where?

Mr. WILKS.—In the speeches I have just read such a request will be found.

Mr. HIGGINS.—Let us hear it.

Mr. WILKS.—I have already read speeches in which a demand was made for separation, and we know that the people of Ireland cannot have separation without having full legislative and executive power.

Mr. HIGGINS.—The honorable member ought not to play on terms. If he could cite an instance in which a request for a co-ordinate Parliament was made, I should like to hear it.

Mr. WILKS.—It is somewhat remarkable that a lawyer should say to a layman, "Do not play upon terms."

Mr. HIGGINS.—The honorable member can give the lawyers some points.

Mr. WILKS.—To say the least, it is remarkable that a skilled lawyer should call upon an unoffending and innocent layman to refrain from playing upon terms. Let me give another illustration of the reason why the people of the North of Ireland fear the introduction of Home Rule. In 1868 Cardinal Moran, whilst private secretary to Cardinal Cullen, re-issued, as a meritorious and valuable work, Peter Lombard's *De Regno Hibernia*, in which it is declared that—

The Irish hold themselves bound in allegiance to the Holy See as its subjects, not only in spirituals, but also in temporals.

That is the crux of the position. The people of the North of Ireland to-day believe that the South of Ireland responds to the sovereign powers of the Pontiff in temporal as well as in spiritual matters. I have nothing to do with any inquiry as to what a man's religion may be. A man's religious belief is a matter which rests between himself and his Creator, and I hold that any one who seeks to come between a man and his religion is guilty of nothing less than downright impudence. But I should like to say that I am an Orangeman, not because of the religious belief of any section of the community, but because I hold that those of the Roman Catholic faith owe allegiance to the Pontiff in matters temporal as well as spiritual. It is for this, among other reasons, that the people of the North of Ireland are opposed to Home Rule. The people of the north and south would be able to form a happy, peaceful nation but for clerical interference. The honorable member for Southern Melbourne had the privilege of being acquainted with a distinguished Orangeman in this country—the Marquis of Linlithgow; but surely he did not find him anxious in any way to destroy the peace of the community? Although he was Governor-General of Australia, the present Marquis of Linlithgow—then Earl of Hopetoun—did not think that it was dishonorable to belong to the Orange Lodge, and that body to-day has among its members some of the leading men in England and Ireland. They have joined that organization, not because they disagree with the religious beliefs of any particular section of the community, but because they fear that British sovereignty will be destroyed by clerical domination in

Ireland. They fear that, with the granting of Home Rule, the present clerical interference and domination would continue in Ireland.

Mr. HIGGINS.—The honorable member says that the clerical domination would continue.

Mr. WILKS.—The honorable and learned member knows that it has continued.

Mr. HIGGINS.—It is as bad now as it would be in the event of Home Rule being granted.

Mr. WILKS.—It is bad enough now.

Mr. HIGGINS.—That may or may not be, but at the same time it would not be any worse under Home Rule.

Mr. WILKS.—I wish now to refer to a statement which appeared in a recent issue of the *Freeman's Journal*. I have no complaint to make against that publication. The conductors of it exercise their right as journalists to criticise my public actions in common with those of other public men, and in a recent issue they pointed out that when I made a certain interjection in the course of the speech delivered by the honorable and learned member for Northern Melbourne, with reference to what happened in the days of the Irish Parliament, I should have been told that that was a Protestant Parliament. If I had made a statement of that character, I should have been accused of the basest and vilest sectarianism. If the excuse for the conditions which existed during the eighteen years' life of the Irish Parliament is that it was a Protestant Parliament, are we to take it that honorable members desire to see Ireland with a Roman Catholic Parliament? Does the honorable and learned member for Northern Melbourne think that that would make for peace? Would it not rather make for civil war? Even the advocates of Home Rule, and Mr. Gladstone himself, have said that the Irish would fight it out, north against south. I admire the splendid command of language which the Irish possess when appealing on grounds of sentiment, and I wish to see the distresses of Ireland removed. The honorable and learned member for Northern Melbourne says that the passing of this bald resolution will remove them, but I do not think that the true advocates of Home Rule will be content with this lavender-water style of dealing with the question. Even my comparatively cold nature would not accept advocacy of that kind. Ireland's cries have

little foundation, if the passing of this motion will satisfy them. The honorable and learned member referred to Fox as in favour of Home Rule. I did not think that my memory had served me false, but to make sure, I looked up my history again, and I find that when Pitt proposed to amend the navigation laws to allow Ireland to share in the benefits of the colonial trade, Fox protested that it was an attempt to make Ireland the grand arbitress of all the commercial interests of the Empire, and forced Pitt to recede from his position, and to give a more English colour to the scheme. The troubles of Ireland commenced with the Government which Fox supported.

Mr. HIGGINS.—Fox was always in opposition.

Mr. WILKS.—Not when the troubles of Ireland started. When Pitt had given way in this matter, Fox turned round, and protested that if Ireland joined the Union, she would resign her legislative independence. That is the way in which this reliable friend of Ireland blew hot and cold on the subject. If any nation has reason to complain of its friends, it is Ireland in this connexion. If I thought that the carrying of the motion would do good, I would support it; but I think that, on the contrary, it would have the effect of accentuating the difficulty. If the only way of relieving Ireland's distresses were to give her a Parliament, I would vote for giving her a Parliament with powers equal to our own. I am afraid, however, that if she possessed such powers, there would be a struggle between the north and south, and the history of Norway and Sweden shows how Parliaments in proximity tend to disintegrate a country. Ireland is only a few hours distant from the seat of the Imperial Parliament. Sydney is further removed from the seat of the Commonwealth Government than is Dublin from London, and it might as well be argued that New South Wales suffers from her connexion with the Commonwealth, as that Ireland suffers from her connexion with the Empire.

Mr. RONALD.—But New South Wales has a Parliament of its own.

Mr. WILKS.—And Ireland has advanced municipal institutions. Furthermore, she receives as a special concession representation in the House of Commons altogether out of proportion to her population. On a population basis, she would have seventy-one representatives in the

House, whereas she has 103. The honorable and learned member for Northern Melbourne in the Convention was strongly opposed to the granting of equal representation to the States, because he thought that representation should always be in accordance with population. There was no stronger advocate then of the democratic principle of representation on a population basis. But, although Scotland, Wales, and England have to be satisfied with such a representation, the honorable and learned gentleman thinks that Ireland has ground for complaint when she possesses a representation of thirty-two members more than her population entitles her to. The Irish question has caused a great deal of trouble in Imperial affairs. It was responsible for breaking up the Liberal party and forming the Liberal Union party, and drove from the Liberal ranks some of its greatest men. For years past it has led to the obscuring of other issues. But the more the Imperial Parliament does for Ireland, the more her people demand, and it is useless to shut our eyes to the fact that the Irish will not be satisfied until they get separation. They certainly will not be satisfied with the passing of this milk-and-water motion. In my opinion, the members of the Imperial Government are not fiends incarnate; they are not men without sympathy; nor are they unacquainted with the condition of Ireland. They know the condition of Ireland better than we can, and only two years ago the Imperial Parliament voted £112,000,000 for its amelioration, and granted a further extension of municipal government to Ireland. If, however, the Irish are given a Parliament of their own, the disintegration of the Empire will at once commence. I am thoroughly opposed to any such step being taken, and I think that the people of Australia as a whole are of the same mind. But, as the honorable and learned member for Northern Melbourne has suggested that because I am an Orangeman I am not a free agent in this matter, I would again remind him that I am as free as he is free from the dictation of Archbishop Carr and the local Hibernian Society, and have as much right to express my opinions on the subject. The honorable member for Coolgardie is of the religion of the bulk of the Irish people; but I am sure that he will admit that the relations between us have always been of the friendliest. I tell him that if he intends to excite the Orange movement in Australia, the carrying of this

motion is likely to have that effect. My remarks have been made, in my judgment, in support of the best interests of the Empire and of Australia, and I have endeavoured to combat the arguments of the honorable and learned members for Angas and Northern Melbourne. I trust that the House will not shelve the motion, but that there will be a division upon it, when, irrespective of party considerations, it will probably be defeated.

Mr. RONALD (Southern Melbourne).—I am very glad that the motion has been placed before this Parliament, and I wish to deal with what is the only argument worthy of consideration which has been submitted in opposition to it.

Mr. KELLY.—Why was this motion taken out of the honorable member's hands?

Mr. RONALD.—I will deal with that matter presently. Not one sound argument or good reason has been adduced against the granting of Home Rule *per se*. The only argument advanced by the opposition worthy of serious consideration is the "hands off" or "no interference" argument. It has been contended that the Federal Parliament has no right to interfere in a matter which is not of immediate personal concern, and it has been pointed out that the members of the party to which I belong were against interference by Australia in connexion with the troubles in the Transvaal. I, and most of those who will vote for the motion, certainly preached the doctrine of "non-interference," or *laissez faire*, in connexion with events in the Transvaal, because at the time war was raging there, and I thought that Australia should not be involved in a quarrel with which she was not concerned. But I hold that we may interfere in the interests of peace, so long as we approach the Imperial Government with due courtesy, and through the proper channel. We should not interfere to make war and strife. There is no parallel between the two cases. There is a reason for interference in this instance, but there was no reason for interference in the former instance. With regard to our action in respect to the proposed importation of Chinese into the Transvaal, that was justified on the ground that we in Australia had experienced the evil effects of employing Chinese, which the people of England had not. We desire to respectfully approach the Imperial Parliament, because we have had experience of Home Rule, and can therefore speak of its blessings, and advocate the application of the same principle to

Ireland. The honorable member for Dalley has pointed to the many beneficent Acts that have been passed by the British Parliament in order to remedy Irish grievances, and to the fact that they have not proved effective. I make bold to say that if Ireland were granted the best laws in the world, and they were not home-made, they would be regarded as nothing more or less than coercive measures. Universal experience points to the fact that laws in order to have any efficacy, or any claim upon the loyalty of the people, must be home-made. Many good features have been introduced into the land-laws of Ireland, which have in some respects been models of justice as between landlord and tenant; but because such laws were not made by the people themselves they have been regarded as coercive. In order to make people law-abiding, they must have the right to frame their own laws; otherwise loyalty in the highest and best sense cannot be expected from them.

Mr. JOHNSON.—Are not the Irish people represented in the British Parliament?

Mr. RONALD.—Yes; but the honorable member must know that they are represented by a miserable minority. Whenever any question affecting Ireland is brought forward for discussion, the English majority—as distinct from the British majority—oppose everything that is advocated by the representatives of Ireland, thereby making null and void the Irish representation.

Mr. JOHNSON.—That is a serious imputation on the fairness of the British Parliament.

Mr. RONALD.—It is a matter of history. National prejudices cannot be eradicated. If there were opportunities for State prejudices to have full operation in this Chamber, they would outweigh all national considerations. That is one of the reasons why Irish national sentiment has not found full expression in the British Parliament. The English prejudice is represented by the peer, the parson, and the publican—the three great controlling elements in British politics which regulate the national sentiment of Great Britain.

Mr. JOSEPH COOK.—Nonsense.

Mr. RONALD.—We know the great influence which the voting power of London has at general elections, and no greater forces than those of the peer, the parson, and the publican operate in the metropolis at such times. The honorable member for

Dalley said that Orangemen were advocates of the Union in the first instance. That is perfectly true. The Orangemen, with their usual jealousy and suspicion, at the beginning of the last century gravely suspected the reigning Monarch, and, still more, the Heir-Apparent, of leanings towards Catholicism. They entered into a conspiracy to keep Queen Victoria from the Throne, and to place upon it the Duke of Cumberland. These men, who now call themselves members of the Loyal Orange Lodge, and who have had the impudence to falsify history, and to call themselves loyal, are loyal only just so far as it may suit their purpose. There was, however, no loyalty about them at the time of which I have spoken, and the statement that disloyalty lurks behind this motion for the presentation of a petition to His Majesty comes with very bad grace from the party which was begotten in disloyalty, and which utters the parrot cry of "God save the King" merely to serve its own purposes. The honorable and learned member for Northern Melbourne said he hoped that if Home Rule were granted to Ireland we should hear no more of the objectionable sectarian element which was everlastingly cropping up in local politics. The honorable member for Dalley, on the other hand, stated that he objected to a movement that would have that effect. I can quite understand that a certain type of politician would object to the disappearance of the sectarian issue, because he lives by it, and if that issue were no longer present in Australian politics his trade would be gone. We desire, however, to eradicate this element, whose existence in our politics all decent men must deplore. Some remarks have been made with regard to the depopulation of Ireland, and I shall endeavour to point out the intimate connexion between the want of political liberty and the lack of interest on the part of the Irish people in the country of their birth. I should like, however, to first draw attention to the distinction which exists between legislative union and Imperial union. I hold that the utmost devotion to the cause of Home Rule and legislative separation is quite compatible with the strongest attachment to Imperial union. It has been held by Gladstone, who was an Imperialist of the first order, that in the interests of Imperial union, legislative separation is absolutely indis-

pensable. Efforts to keep together in a legislative union people who are not fit to be ruled and governed by the same institutions promote dissension and that feeling of dissatisfaction which some men are tempted to call disloyalty. The most effective way of bringing about Imperial separation is by insisting, in certain circumstances, upon legislative union. On the other hand, the best way to make a lasting and true Imperial union is to grant legislative separation. The experience of the world proves that.

Mr. JOHNSON.—It has been denied that legislative separation only is sought for.

Mr. RONALD.—I contend that the best way in which the unity of the Empire can be promoted is by granting the fullest political liberty to all subjects of the King. We can furnish an example of this in Australia. It is notorious that at one time the British Parliament desired us to separate from the Crown. They granted the fullest liberty of action in regard to the control of our army and navy, and legislation generally, and the result was that we have clung all the more closely to the Imperial power. It is notorious that if an attempt be made to hold a people, they are repelled; whereas if they are granted absolute liberty, they cling the more closely. When once legislative liberty is granted to any people they cling the closer to the central power. That is exactly what took place in Imperial Rome, which was, perhaps, one of the closest and most compact unions that the world has ever seen. It used to be a maxim amongst the Romans that they gave perfect autonomy in local and national affairs to the peoples whom they conquered. In this connexion I would commend to the notice of honorable members Cicero's letters to Atticus, as to how the Romans ruled their provinces. They gave to the people whom they conquered full liberty in regard to religion, marriage, and other concerns—liberty, indeed, in every shape and form. The Romans ruled their provinces by allowing the provinces to rule themselves. That is a secret which Imperial Britain has not yet discovered. The best way in which to bring about Imperial union is to grant legislative separation. Any man who chooses to seriously consider this great problem will find that the history of the world demonstrates the truth of my statement. Those who cavil at it are living in the face of all history. I repeat that the surest way to Imperial

union is through legislative separation. It has been stated that the Irish people have never preferred a unanimous request that they should be granted Home Rule. But I would ask, "Have honorable members ever heard of any movement in any country upon which the people concerned were absolutely unanimous?" To my mind, the Irish Home Rule movement occupies a unique position in history, because it is the one movement which has commanded the support of an overwhelming majority of its people. The Province of Ulster has been trotted out as one which is opposed to Home Rule. Is the honorable member for Dalley aware of the fact that Ulster has always returned a majority of Home Rulers to the British Parliament? More than that, this so-called Protestant Ulster contains a majority of Roman Catholics. It is a minority—a minority which makes up in noise what it lacks in numbers—that is opposed to Home Rule. A vast majority of the people in the North of Ireland are in favour of that movement, together with an overwhelming majority in the South of Ireland. Reference is continually being made to the great battle which took place upon 1st of July, 1690. The people who endeavour to keep alive the racial and religious animosity upon which they wish to divide the Irish population, always desire to make it appear that that battle was really a victory for Protestantism over Roman Catholicism. It cannot be too often reiterated that as many Roman Catholics as Protestants fought under the banner of William of Orange, and as many Protestants as Roman Catholics fought under the banner of James II. A change of dynasty was involved, and the question of religion had nothing whatever to do with the struggle. Scottish Protestants were the most enthusiastic Jacobites, yet the most Protestant of the Protestants. It was the mongrel breed of Protestants in Ulster who mixed religion and politics. Consequently the man who represents that battle as a triumph for Protestantism over Roman Catholicism is the veriest ass. I wish, under cover of this motion, to correct many of the absurdities which have crept into this Irish racial discord, which should never have been allowed to show its ugly head in Australia. It is a state of things which we all deplore, and which this Parliament should endeavour to suppress. If the passing of the motion will do anything to correct these misunderstandings, and to

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remove from our political arena the everlasting sectarian question, it will serve a very good purpose indeed. The honorable member for Dalley has attempted to show that legislative separation would be sure to be followed by Imperial separation. In this connexion he instanced the position of Norway and Sweden as analogous to that of England and Ireland. I claim that there is absolutely no parallel between them. The conditions which obtain are diametrically opposite. The geographical position of Ireland, England, and Scotland is such that the idea of separation between Ireland and England is absurd. Ireland is absolutely united to Great Britain, and the idea of separation would be the most irrational that a sane man could entertain. Providence has ordained that these nations should be one, and it is only the stupidity and the malice of certain sections of the community that keep alive the boggy to which I have referred. The statement has been made that it would be dangerous to grant legislative separation to Ireland, because it would inevitably lead to the destruction of Imperial Britain. Mr. Parnell has been quoted as saying that the Irish people would never be satisfied until the last link which bound them to Britain was severed. Oh, that everlasting link! I have heard of it for the past twenty-five years. The slightest regard for the context of Mr. Parnell's speech will show that he was referring only to a legislative link. What he desired to convey was that when the last link of political subserviency as between Ireland and Britain was severed, the Irish people would have realized their ideal. That is what we all say. From the beginning to the end of his speech Mr. Parnell was speaking of a legislative union and a legislative separation, with no reference whatever to an Imperial union or an Imperial separation. No responsible leader of the Irish party from Dan O'Connell down to the present time has made any statement which can be construed into a declaration in favour of separation. We all know that we cannot accept the indiscreet utterances of a member of the rank and file as an official pronouncement of the policy of a great party. I challenge any opponent of Home Rule in this House to point to one statement by a responsible leader of the Irish party which can be interpreted as a declaration in favour of separation from Great Britain. One of the great movements of the

present day is the direction of Imperial Federation. I do not care for the word "Imperial," but I like the word "Federation." I believe that in a very short time one question which we shall have to discuss will be that of the desirability or otherwise of entering into an Anglo-Celtic Federation. When that time arrives we shall find that our Home Rule proposal is a necessary preliminary to that great movement. We desire an Anglo-Celtic Federation—a union with America—which is bound to come.

Mr. JOHNSON.—The honorable member wishes to see the two peoples separate in order that they may unite?

Mr. RONALD.—Certainly.

Mr. JOHNSON.—That is a most peculiar position to take up.

Mr. RONALD.—I shall show that it is a scientific attitude.

Mr. WILKS.—The honorable member wishes Ireland and England to go to the National Divorce Court in order to be remarried?

Mr. RONALD.—That is really the situation. Let me take an illustration from chemistry. In chemistry there are two processes—the process of analysis, and that of synthesis. The chemist always breaks up and separates his chemical constituents in order to bring them together again and secure a desired effect. And so in politics, two processes—the analytical and the synthetical—are always present. The analytical process is really the Home Rule stage, and the synthetical process is equivalent to the Federal stage. When a people speak of federating they have first of all to ascertain their legislative boundaries. That is the history, not only of the Dominion of Canada, but of the Grecian Federation, as well as of the Federation of Australia. It is indeed the history of every federation in the world. The breaking up process—the analysis—must be followed by the synthetical process. The people of Australia could not have federated until they had secured local autonomy; and we can never have a true federation of England, Scotland, Ireland, and Wales until each part of the United Kingdom has been granted home rule. Once we pass through the analytical stage, we reach the synthetical process, and if honorable members give the matter serious consideration they will find that every synthesis is preceded by analysis. From a legislative point of view, the analytical

stage of Home Rule is sure to come. There can be no combination between the various nationalities of the British Empire until they have first secured their local Parliaments. England, Scotland, Ireland, and Wales, having once secured their local Parliaments, will be in a position to federate in the fullest sense of the word. But they must first of all separate, so to speak, for under one Parliament there can never be a true union. The man who says that there exists a real union between Ireland and Great Britain at the present time must indeed be a dullard. As a matter of fact, there is no union; and this talk about separating that which is not united is really the height of absurdity. There is, and always has been, a paper union between Great Britain and Ireland; but there has never been a union of hearts. The proposal now before the House is really one to tear up the paper union in order to accomplish a union of interests and of hearts which will last for all time.

Mr. JOHNSON.—Is that not possible under existing conditions?

Mr. RONALD.—No.

Mr. JOHNSON.—Then it will never exist.

Mr. RONALD.—The honorable member surely does not claim to be a prophet. I might quote parallel after parallel in support of my contention, but there is absolutely no parallel or precedent in history for the honorable member's proposition. History teaches the great lesson that we have first to separate peoples in order to bring them into conformity—

Mr. JOHNSON.—The honorable member contends that it is necessary to disrupt a united force in order to bring it into true unity.

Mr. RONALD.—I have said that there must be a breaking-up process before a real union can be reached. The honorable member will find this fact illustrated in every department of politics. There must be an apparent separation—a breaking-up—before we can have the synthesis, the combination, the genuine union. We have, first of all, to define the various rights of the several nationalities concerned. If a parallel be necessary, let me point to the position of our own States. If there had been no States Governments in existence in Australia when Federation was first proposed, with whom would the advocates of that proposal have had to deal? They could not have dealt with the people as a people.

We can deal with a people only through their Parliament, and the Parliaments of the States were the basis of our Union. So it is in the old land. Before we can hope to see a federation of England, Scotland, Ireland, and Wales, each of those parts of the kingdom must have its own Parliament. It will be seen that my contention, that every true political union is preceded by a breaking-up process, is correct. It is only the stupid, short-sighted man who would speak of that breaking-up process as a separation.

Mr. JOHNSON.—Then we are to break up and destroy the union.

Mr. RONALD.—If the breaking up of an Empire would bring about a federation of all the peoples of the world, I should be prepared, if I could, to break up twenty unions on such grounds. Even the Empire itself might have to be sacrificed in the interest of the world's peace. If we could see a reasonable prospect of a great Anglo-Celtic Federation by the dismemberment of the British Empire, dear though the Empire is to us, the sacrifice would be small compared with the gain in the interests of humanity.

Mr. JOHNSON.—Then the desire of the Home Rule Party is to break up the British Empire?

Mr. RONALD.—No such suggestion has been made. I have said that in the interests of a higher union—the federation of the world—I should be prepared to break up the Empire; but I certainly should not be prepared to see it broken up for any lesser union. The honorable member will recognise that in order to secure a union between Great Britain and the United States of America it would be necessary for the British people to part with their Imperial sentiment, while the Americans would have to part with their Republican sentiment; but if, between the two, we could arrive at a common basis of union, where the best of our Imperial sentiment and the best of the Republican sentiment of the Americans would be conserved, we should secure a higher and better type of federation. We should break up the two in order to make one great nation; but neither the one nor the other would be sacrificed. I do not think there is any occasion to labour this question. We have stated, in the terms of the motion, what is our desire, but I should like to reply to the base insinuation that the words in which we express our respect for His Majesty the King are not sincere. I have no doubt that the honorable member for

Dalley, who is associated with a society the members of which have drawn up many loyal addresses, perhaps with their tongues in their cheeks, imagines that we have framed this motion in the same way.

Mr. WILKS.—I do not question the sincerity of the supporters of the motion.

Mr. RONALD.—I am responsible for the terms of the motion to a greater extent than is any other honorable member. and I say, with all earnestness, that there is no one in the British Empire whom I esteem more highly for his liberal opinions, and his broad-minded sympathy with the people of various nationalities in the Empire, than King Edward VII. When the Home Rule movement was being carried on under the ægis of the great Gladstone. His Majesty—who was then Prince of Wales—gave his countenance and patronage to it. That is a well-known fact. He was anxious to do his very best for the Irish people in the interests of the Empire, and on ascending the Throne he availed himself of the very first opportunity to visit Ireland. That visit was not a mere rush across the Irish Channel and back again. It was undertaken by His Majesty with the full determination to show the people of Ireland that he was in sympathy with them, and understood their aspirations. He has never insulted the people or flouted their cherished opinions on any political or religious question; and it will always redound to his credit that he has done his best to bring about that union of hearts for which we are now striving. He has ever shown himself a true Liberal—a man of broad-minded sympathies for everything that is pure, lowly, and of good report—and was the first of the Hanoverian House to break away from the prejudices of mere sectarianism that had characterised that House for very many years. I rejoice to think that the time is coming when every honorable member of this House will have an opportunity to record his vote on this question. As the time allotted for private members' business has almost expired, I beg leave to continue my remarks on a future occasion.

Leave granted; debate adjourned.

## BUDGET.

*In Committee of Supply:* (Consideration resumed from 30th August, *vide* page 1713.) on motion by Sir JOHN FORREST—

That the item, "President, £1,100," be agreed to.



Mr. WILSON (Corangamite).—Before commencing my remarks on the Budget, I wish to congratulate the Committee on the presence in the Chamber of the Attorney-General.

Mr. ISAACS.—Where is the leader of the Opposition?

Mr. WILSON.—Only two sittings have been devoted to the consideration of the important subject of finance, but last night, on the motion of adjournment, the honorable member for Bland took it upon himself to inveigh strongly against what he termed the obstructive and "stone-walling" tactics of the Opposition. In my opinion, his remarks were quite uncalled for, because honorable members may discover for themselves, if they look through our records, that the work done by the House since the present Administration came into power has been as great as has been done in any similar period since the inauguration of Federation. The Ministerial statement has been discussed, a number of Bills have been brought up to their second-reading stage, and the Public Service classification, which might have been expected to occasion a fortnight's debate, was disposed of in three days. It is one of the necessities of parliamentary government that every measure brought forward shall be thoroughly discussed, and if Ministerial supporters, for reasons of their own, choose to keep silent, the duty of the Opposition to inform the public mind on the proposals submitted becomes still more pressing, because, as a rule, the people absorb these various questions rather slowly. In contrast with the behaviour of the present Opposition during this session, I would direct attention to the conduct of certain members of the Labour Party last session, when that party was certainly guilty of wilful obstruction and out-and-out "stone-walling." The honorable member for Darling then, on one occasion, took four hours and thirty minutes to deliver a speech. He gave a *résumé* of socialistic movements, which was afterwards published, and largely circulated throughout Australia. The honorable member for Gwydir made a speech extending over four hours and thirty-five minutes; the honorable member for Melbourne occupied more than three, and, I believe, nearly four hours. I remember an occasion in the State Parliament when he spoke for six hours, and would be speaking now, had not certain of his fellow-members removed the books on which he was relying. The honorable

member for Canobolas spoke for four hours and twenty minutes, and then excused himself for not proceeding further, on the ground that he was rather tired through having travelled down from Sydney on the previous evening.

Mr. MAUGER.—What would the honorable member call a fair thing?

Mr. WILSON.—If the honorable member were delivering one of his famous utterances at Port Melbourne, about two hours would be enough. As a rule, two and a half hours would be sufficient for Ministers on subjects of importance, though, on occasion, they might be permitted to exceed that limit. I congratulate the Treasurer on the example which he has set for future Treasurers, by following the tactics of the corner party, and adopting a minimum. He has established a minimum, below which none of his successors should be allowed to sink. One of the things which struck me in his speech was his remarks on the subject of immigration. He says that the Commonwealth should select immigrants, and bring them to Australia on terms to be arranged, and that the States should find holdings for them, and finance them through a land bank. He offered no new or striking suggestion for the development of the resources of the Commonwealth, nor did he speak as though he were enunciating the policy of the Cabinet. I should, however, like to see this and future Governments do all they can to promote immigration and the settling of the people on the land. The right honorable gentleman made a great boast of what he had done in Western Australia by giving applicants 160 acres on the Canadian plan, without cost. But I would remind him that what intending settlers require is land, and not sand.

Sir JOHN FORREST.—A good many thousands are settled on the sand that the honorable member speaks of.

Mr. MALONEY.—There is some good land in Western Australia.

Mr. WILSON.—That is not the land which is being given away. The encouragement of settlement is surrounded with very many and great difficulties. It is difficult to obtain suitable immigrants, and it is equally difficult to make a satisfactory arrangement for bringing them here. The right honorable gentleman spoke of the great evil of centralization which exists in Australia, and it is the cause of another great evil to which the Governments of the States should

pay attention, the limitation and prevention of families which now take place. In connexion with the opening up of the lands of Australia, the Federal Parliament has a great work to do in providing for the proper use of the waters of the Murray, so that large areas in the interior which are at present undeveloped may become fit for settlement. In this connexion, I should like to quote the following passage from the report of the Inter-State Royal Commission on the River Murray:—

The birth of the Commonwealth has brought into existence a new authority, vested with powers which within certain limits are supreme. The introduction of this new, and, to some extent, controlling factor, made it more than ever necessary that the States interested in the disposal of the waters of the Murray basin, should come to some conclusion as to their respective rights and interests in the river and in works for the utilization of its waters. Several successive years of drought, too, had made the residents in the Riverina district of New South Wales, keenly anxious for the realization of some of the projects for the irrigation of their lands, already so long under discussion. This anxiety found public expression in March of this year, when an organization, called the Murray River Main Canal League, invited the Federal Premier, the Premiers of New South Wales, Victoria, and South Australia, and other representative men, to a Conference at Corowa. At the Conference several resolutions were passed, the principal of which are the following:—

1. That the Governments of the Commonwealth and the States concerned be urged to co-operate in preparing and carrying out a comprehensive scheme for the utilization of the waters of the River Murray, which, while improving the navigability of that river, will also provide for the imperative needs of the residents on both banks in the conservation and distribution of its waters.
2. That, owing to the urgent necessity for a scheme of water conservation for the Riverina, Northern Victoria, and South Australia, and as an instalment of a comprehensive scheme, the States of New South Wales, Victoria, and South Australia be asked to empower the Federal Government to provide storage reservoirs on the Upper Murray and a weir at Bungowannah, as proposed by Mr. McKinney, and indorsed by Colonel Home and Mr. McGregor, such head works to be National.
3. That, contingent upon the above resolution being adopted by the Governments concerned, this Conference recommends the public bodies interested to approach their respective Governments, and request that the distributing works, for utilizing the Upper Murray storages and Bungowannah weir, be commenced at such time as will enable them to be completed concurrently with the head works named.

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4. That, in the opinion of this Conference, the circumstances of Australia demand that all natural waters not already appropriated under legal sanction shall be declared public water, and made subject to a suitable system of law applicable to the whole of the Continent, and that the Commonwealth and State Governments be respectfully asked to consider such legislation as will provide for its regulation and disposal, in such manner as shall secure its fullest possible use in the interests of the whole of the people.

On going into this question further, we find that in the basins of the Murray and its tributaries the Murrumbidgee, Darling, and Lachlan there are 255,754 square miles of country, mostly consisting of delta land or alluvial areas, which could be utilized for the purposes of irrigation. At page 15 of the report we find a statement referring to all the matters previously mentioned, such as the overflow of the rivers, and the quantity of water running to waste. It is stated—

All this points to the necessity for storing largely of the winter flow to provide for dry years, and also to the need of accurate and complete records. To this end, the officers intrusted with the measurements and observations should be expert surveyors and trained to the work.

Then at page 17 we find the following statement:—

So far there has been little development of irrigation in New South Wales; although, at Hay and at Wentworth, irrigation schemes were started some years ago, under the authority of Acts of Parliament. Some of the land at Hay is not considered suitable for irrigation, the site, as a whole, not being so good as that at Mildura. But perhaps the chief reason the settlement has not been quite successful is that those who first took up the land lacked experience. Regarding this, one witness said:—"I consider the soil is adapted for irrigation, and I have confidence in the scheme if we only had practical men on the area, men who understood fruit culture and the growing of crops by applying water to the land. . . . We have found that land and water in themselves are not sufficient, that there is a proper method of putting water on, and that method has to be learned by experience.

That shows the enormous quantity of water that is running to waste every year—water which would be of very considerable value if it were properly applied to the land. On page 18 it is stated—

The estimated storage capacity of the proposed reservoir at Yass is about 18,000,000,000 cubic feet. This quantity of water would irrigate 275,482 acres to a depth of 18 inches, which would be sufficient to grow two crops of sorghum, or four of lucerne.

It is further mentioned—

Two-sevenths of the waste flow of the Murrumbidgee would irrigate 2,203,856 acres of wheat,

oats, or barley, to a depth of  $4\frac{1}{2}$  inches; which would, judging from my experience, give a return of forty bushels of wheat or sixty bushels of oats to the acre, worth, say, 2s. for the former and 1s. 4d. for the latter, or a gross return of £8,815,424 in either instance.

At page 22 we find that the irrigable area in the basins of the Murray and its tributaries amounts to no less than 50,042,400 acres. That is an enormous area, and I feel quite sure that we have too long neglected the opportunities presented to us in connexion with this vast tract of country. It should be turned to profitable account, and be made to yield enormous wealth to the Commonwealth. At page 25 reference is made to some of the lessons to be learnt from the experience of other countries in irrigation. It is stated—

In the United States of America, on the other hand, in the arid western regions especially, irrigation has brought profitable employment, provided abundance of nutritious food, comfort, and luxury for the masses; while it has also found a profitable field for the investment of capital, and for the operations of the merchant and financier. . . . Few areas on the world's surface support so dense a population as the narrow strip of land lying along the banks of the Nile. On both sides of that river, for hundreds of miles above Cairo, the fringe of fertility is hemmed in by the desert, which in many places extends down to the river itself. For many centuries it has supported a total population of nearly five persons to each acre of cultivation; a density which, if it could be extended to countries like Australia, where there are millions of acres of irrigable land, would bring about a social revolution of unimaginable magnitude.

I should like now to return to the statement that we have over 50,000,000 acres of land fit for irrigation. In Egypt the irrigable land supports five persons to the acre, and if we could make the irrigable land in the Murray basin support one person per acre we should be able to settle 50,000,000 people in the centre of Australia.

Sir JOHN FORREST.—That is not quite in the centre of Australia.

Mr. WILSON.—No. The centre of Australia is an absolute desert; a land of "sin, sand, sorrow, and sore eyes," through which the right honorable gentleman desired that we should run a railway.

Sir JOHN FORREST. — The honorable member's knowledge of that country is not very extensive.

Mr. WILSON. — I have derived my knowledge largely from the reports of the right honorable gentleman, who has conducted more than one surveying expedition through that country, and who was very glad to get out of it alive.

Sir JOHN FORREST.—The country along the track of the proposed railway is not very bad.

Mr. WILSON.—Water is very scarce there, and the country is practically valueless unless mineral discoveries are made. On page 35 of the report previously referred to, we find the following reference to the reports of surveyors with regard to the area of irrigable land in the Murrumbidgee basin:—

Mr. Cobcroft is of opinion that the present water supply is quite inadequate for the requirements of settlement, as the principal water-courses, the Billabong Creek, is generally a chain of water-holes. Mr. Broughton, district surveyor of Hay, states that 9,100,000 acres within his district will be affected by the proposed Murray and Murrumbidgee scheme, the whole of which is suitable for grazing. The best agricultural land is situated south of the line running westerly from Coree to Morago, and comprises an area of 300,000 acres.

Then we have the report of Mr. Kenyon, who says there would be no difficulty in providing at a reasonable cost for the irrigation of 2,000,000 acres in Victoria. That is the limit of the area that he thinks could be irrigated.

Mr. WILKINSON.—Is that land useless without irrigation?

Mr. WILSON.—Yes, and if we could in any way assist to develop it, we should confer a great benefit upon the Commonwealth. One of the means by which this Parliament could assist in this great work is by, at the earliest opportunity, arranging for the construction of large storage reservoirs on the Murray, and for the locking of that river. Of course, we have not a great deal of money to spend in that direction at present, but we could commence by constructing a few locks and increase the number as time went on. We could also make a beginning with the storage of the waters that are now running to waste. At page 54, reference is made to the proposed Cumberna reservoir on the Upper Murray, as follows:—

That, as the proposed Cumberna Reservoir, on the Upper Murray, if constructed of a capacity of 25,367,000,000 cubic feet, will be capable, in conjunction with the natural discharge of the tributaries between the site of the dam and the gauging station at Albury, of so regulating the river as to insure a practically uniform discharge of 180,000 cubic feet per minute below the affluence of the Kiewa; the volumes so regulated shall belong in equal shares to New South Wales, Victoria, and South Australia, conditionally upon these States bearing equal shares of the cost of the reservoir.

I think I am perfectly justified in directing attention to this matter, which comes within the purview of the Federal Parliament, and to the opportunities which are presented to us for rendering valuable assistance in the work of developing our territory. It is desirable that the settlement of the land in all the States should be promoted as much as possible. In Victoria, we have large areas of land of very poor quality which, however, are being opened up by the Government through the agency of experimental farms. There must be similar areas in every other State which could be opened up by means of scientific farming, and the Federal Government could afterwards launch a grand scheme of irrigation, or of decentralization, with the idea of inducing people to leave the cities and settle on the soil. In certain parts of Victoria, notably in the Beech Forest and the Heytesbury Forest, we have large numbers of settlers who are doing the finest possible work, and who are really the backbone of the country. These men, who are opening up the land, deserve every consideration. Although we cannot assist these people in many directions, we can render them some aid by providing them with facilities for frequent deliveries of letters, newspapers, and literature, so that they may educate themselves and their children.

Mr. JOHNSON.—But we never consider the men in the back-blocks.

Mr. WILSON.—We ought to give these men constant consideration, because they are the backbone of the community. I should like to draw attention to a paragraph which appeared recently in the *Herald*, in regard to a letter which has been forwarded by the Victorian Agent-General, Mr. Taverne, to the Premier of this State, asking if the Government would set apart 1,000 acres of good land for twenty families who would be sent out by the Tunbridge Wells Colonizing Society. That communication shows that the Agents-General are endeavouring to obtain the best men possible to place upon Australian soil. These are the people whom we wish to establish upon farms of their own, and if the Government render the Agents-General of the States any assistance in that direction they will be performing a great and very useful work. At the present moment, there seems to be no disposition on the part of the States to relinquish this work, and until they enter into some

arrangement with the Commonwealth, I think that it would be very unwise for us to appoint a High Commissioner. When that appointment is made, I trust that the person chosen for the office will be a thoroughly practical man, who can impart reliable information to the people at Home as to the conditions which obtain here. Whether rightly or wrongly, it is a fact that the operation of certain sections in the Immigration Restriction Act is doing great harm to this country in the old world. This Parliament should do all that it can to remove the prejudice which exists in the mother country against Australia. We wish to give every encouragement to people in the old country to immigrate to Australia. For my own part, I should like to see the contract labour section excised from the statute to which I refer. There can be no doubt that in some instances, through the indiscretion of officers, that Act has been administered in such a way that people arriving in Australia have experienced a very bad time. These little indiscretions have increased the feeling of irritation which existed in England against us. I agree with the objects of that legislation, so far as they relate to the prevention of the importation of bodies of men in times of industrial trouble. That contingency, however, is already sufficiently provided for. I should like to see the Government and the members of the Labour Party prepared to welcome some of the poorer classes from the old land who are at present living under most unsatisfactory conditions. During the delivery of his Budget, the Treasurer made one statement, to which I wish to direct attention. He said—

We have often heard that Queensland has lost an immense sum of money owing to the operation of the Commonwealth Tariff. But the people of Queensland have in their pockets the money which is said to have been lost. That is a strange statement to emanate from the Treasurer of a protectionist Administration.

Sir JOHN FORREST.—Does the honorable member find fault with it?

Mr. WILSON.—I merely call attention to the fact that the right honorable gentleman made that statement, which is a queer one to come from the Treasurer of a protectionist Government.

Sir JOHN FORREST.—I made it; there is no doubt about that.

Mr. WILSON.—Another matter of considerable importance to us is that of the expenditure upon our Naval and Military

Forces. The Treasurer, during the course of his speech, made reference to the Naval Agreement which has been concluded with the Imperial Admiralty; but we have had such excellent speeches upon the question from the honorable member for Wentworth and the honorable and learned member for Corinella, that I do not propose to traverse the ground which they have already covered. I may be permitted to say, however, that the contribution which we make to the Imperial Government under the naval agreement is, in my judgment, wholly inadequate. I have no sympathy with the idea entertained by some honorable members that we should establish an Australian Navy. Such a navy would be absolutely valueless if any great power were to attack us. I hope that the Government will proceed with the works outlined by the honorable and learned member for Corinella, in order that the scheme for the proper equipment of our land forces may be completed. Another important question which was touched upon by the Treasurer was that of the Braddon section of our Constitution. He said—

I do not see that much good can result to the States by extending the duration of the Braddon provision. It may restrict the spending powers of this Parliament, but I cannot imagine that we shall do anything to injure the people of the States. They are our constituents, and to injure them would be to injure ourselves. This Parliament will neither injure nor ignore the people of the States.

The right honorable gentleman seems to have completely changed the opinions which he formerly entertained in this connexion.

Sir JOHN FORREST.—Did I ever say anything different?

Mr. WILSON.—I believe so.

Sir JOHN FORREST.—That is quite enough. The honorable member "believes so."

Mr. WILSON.—Does the right honorable gentleman deny that he has previously expressed himself in favour of the retention of the Braddon section? Did he not say that it was one of the best provisions contained in the Constitution? It may be that the framers of that charter of government foresaw that some day the right honorable gentleman would fill the position of Treasurer of the Commonwealth, and thought it necessary to restrict his spending powers, and to impose a check upon any tendency which he might have towards extravagance. I am glad to know that all the States are giving attention to the Braddon section,

and I hope that as the result of their united action, the operation of that provision will be extended. In this connexion, I should like to draw attention to the opinion expressed upon page 827 of Quick and Garran's *Annotated Constitution of the Australian Commonwealth*—

*The amount of Federal Expenditure.*—The chief influence of the section will undoubtedly be in the direction of ensuring economy of Federal expenditure. The Federal Parliament will be subject to two opposite forces; the national impulse which will tend towards enlarging the scope of Federal operations, and, therefore, of Federal expenditure; and the restraining influence of the States, and of their representatives in the Federal Parliament, which will make for limiting Federal expenditure so as to ensure an adequate subsidy to the States. The chief merit of the Braddon clause is that it fixes the maximum ratio of Federal to provincial expenditure, and thus checks, during the early years of Federation, any attempt at an undue encroachment of the Federal power. If the vast revenues of the Commonwealth were entirely at its disposal, subject only to such political pressure as the States could bring to bear, there might be a serious temptation to Federal extravagance, and a serious risk of the diminution of the State revenues.

That is a very important statement, and one which should be laid to heart by every member of this Parliament.

Sir JOHN FORREST.—I was one of those who was instrumental in getting the Braddon provision inserted.

Mr. WILSON.—Yet the right honorable gentleman, at the dictation of the Labour Party, is one of the first to run away from it.

Sir JOHN FORREST.—I have never said so.

Mr. WILSON.—I can only refer the Treasurer to his own words. If he does not believe in them, he should withdraw them. I now come to the receipts of the Commonwealth from Customs and Excise. In 1904-5 the actual revenue received from this source was £8,799,530; and the amount which it is estimated will be received during the current year is £8,683,000—a decrease as compared with the receipts for last year, which in themselves fell below the estimated revenue by £180,470. This is a very serious matter to each of the States, and it is most important, therefore, that the Braddon section should be retained. The estimated amount of the deficit, compared with the receipts for 1904-5, is £72,710. It is satisfactory to note that the income from the Post Office has increased, and promises to still further increase during the current

year. But when we come to analyze the Customs revenue, we find that the returns obtained from the majority of the items in the Tariff show a serious deficiency so far as most of the States are concerned. In Victoria there has been an increase in the revenue derived from apparel and textiles, oils, paints, &c., drugs and chemicals, wood, wicker work and cane, jewellery, leather, paper and stationery, and vehicles. All the other items, however, show a falling off of revenue. The estimated sugar Customs receipts in Victoria for 1905-6, as compared with the returns for 1902-3, show a decrease of £216,491, whilst the estimated sugar Excise returns show an increase of £133,285, or a net deficiency on the two items of £83,206. This diminution of revenue must have been due to one of two causes. Either it has been brought about by a slackness in trade, or by an increase in our local manufactures. I think we may set aside the suggestion that this diminution of imports is attributable to slackness of trade, for we know that there was a very satisfactory increase in the manufactures of Victoria in 1904 as compared with the output for the previous year. I have here a statement from the *Age*, giving the official statistics relating to Victorian factories. It sets forth that—

The Government statist has issued summaries of the manufacturing returns of the State for the year 1904. These show that the number of factories was 4,208—an increase of fifty-seven on the previous year. The hands employed numbered 50,554 males and 25,733 females—increases of 1,120 and 1,038 respectively. The amount paid in wages was £4,704,365, an increase of £220,570. The value of machinery, plant, lands, and buildings was £13,668,185, as against £12,978,841 in 1903.

The article goes on to point out that—

Proper comparisons with years prior to 1903 cannot be made, on account of the new classification adopted by the statist in that year.

These figures show that there has been a very satisfactory increase in Victorian manufactures. When we examine the details we find that the number of hands employed in the following industries has increased:—Soap and candle making, cement making, glass bevelling, mantelpiece making, wood carving, turnery, agricultural implement making, engineering, boilermaking, iron foundries, sheet iron and tin works (including japanning), brass and copper works, smithing, &c., biscuit and confectionery making, coffee, cocoa, spice, &c. works, tobacco and cigar factories, woollen

mills, hat and cap factories, boot and shoe manufactories, coach and carriage factories, and chemical, leather ware, and rubber works.

Mr. PAGE.—What is the meaning of the increase in rubber goods?

Mr. WILSON.—I am informed by the honorable member for Oxley that it is due to an increase in the output of mackintoshes. The official statistics also show that there has been a diminution in the number of hands employed in the following trades:—Glass bottle and asbestos works, wire works, and jam, pickle, sauce and vinegar works. I would draw particular attention to the decrease which has taken place in the number of hands employed in jam factories, because we have been told that the present price of sugar is hampering the industry. This has an important bearing on the question of the sugar bounty, and it doubtless accounts for the diminution in the number of hands engaged in the industry. There has also been a decrease in the number of hands employed in the following lines:—Cabinet making, including billiard table manufacturing, and brush and broom manufactories. I believe, although I am not quite sure, that the brush and broom making industry has been removed to a large extent from Victoria to Tasmania.

Mr. STORRER.—A portion of it has.

Mr. WILSON.—That will account for the falling off in the number of hands engaged in the industry in Victoria. What has been Victoria's loss has been Tasmania's gain. The *Age* also draws attention to another important fact to which honorable members should give consideration.

Mr. JOSEPH COOK.—Why? Because it appears in the *Age*?

Mr. WILSON.—Not necessarily; but we should not despise information of this kind simply because it is given by that journal. It is pointed out by the *Age* that the most striking increase is in connexion with the implement factories, and that the wages paid in that industry in 1904, as compared with 1903, show an advance of £51,348. Another notable increase, showing that we are able to turn out goods that compare favorably with those manufactured in other parts of the world is that relating to the number of hands and wages paid in the boot and shoe trade. I come now to the important question of the sugar bounty. In the course of his Budget statement, the Treasurer informed us that the Government proposed to continue the sugar bounty,

and also the excise duty on sugar, for five years.

Mr. DEAKIN.—Is the honorable member one of the ten-year men?

Mr. WILSON.—I rather doubt the wisdom of continuing the present bounty for a further term of five years. As most honorable members are aware, the attitude, which I take up in regard to the policy of a White Australia is that we should have a white-owned Australia; but I feel that it is only fair to all concerned that, having entered upon a policy of a White Australia, we should give it as fair a trial as possible. I am prepared to follow the Government to this extent: that I would continue the existing sugar bounty for two years, and at the end of that time would allow it to gradually disappear by means of a sliding scale.

Mr. DEAKIN.—The honorable member desires the bounty to begin to disappear almost at once.

Mr. WILSON.—Two years after the expiration of the period fixed by the Act. That would allow of the bounty disappearing altogether by means of a sliding scale extending over a further period of three years.

Mr. MAUGER.—Would it not be better to continue the bounty as at present for five years, and then to allow it to be gradually abolished by a sliding scale extending over three years?

Mr. WILSON.—This question has a very serious bearing on those engaged in fruit-growing in the cooler parts of Australia, as well as upon our jam manufacturers. It is proposed by the Government to expend £146,000 during the current year by way of bounty on white-grown sugar, but this does not represent anything like the actual loss which the several States will sustain. In addition to that sum, they must suffer considerable loss in the shape of a decreased revenue from the sugar duties. In this connexion I desire to draw attention to two leading articles, which, in my opinion, should be carefully perused, for they practically represent both sides of the question, and are exceedingly valuable contributions to this question. The first of these was published in the *Argus* of 22nd instant. It was pointed out in this article that—

So far from the growers having been strengthened in their position so as to live without it, they one and all declare that the continuance of the industry depends upon a renewal of the bonus. They cannot, they assert, produce sugar by white labour with anything less than £5 per ton protection.

Mr. LONSDALE.—They are all alike; they are not prepared to give up the bonus.

Mr. WILSON.—The *Argus* points out that—

The subject is a most important one from several points of view, and more particularly in respect to revenue. The consumption of sugar in Australia is, roughly speaking, 180,000 tons a year, and the position with regard to revenue may be indicated thus:—

Revenue if all sugar were imported ...	£1,280,000
Revenue as at commencement of Federation ... ..	£780,000
Revenue, 1904-5 ... ..	£680,000
Revenue if all sugar be grown by white labour ... ..	£180,000

It will thus be seen that in the first year of Federation revenue to a large amount was sacrificed in order to protect the industry on the then basis of Australian production; but since then an additional £100,000 a year has been sacrificed in order to stimulate the growing of sugar by white labour, whilst, if this process becomes ultimately successful, and all sugar required by Australia be grown by white labour, we shall only receive a revenue of £180,000. It may be thought that the consumer gets the benefit of a reduction of price by using the Australian-grown sugar, but that is not the case, for he at present pays the same price for all sugar, whether it be imported, whether it be grown by black labour in Australia, or whether it be grown by white labour in Australia, though the revenue obtains respectively £6, £3, and £1.

The statistics I have quoted show that the quantity of sugar produced by black labour in Australia is not diminishing.

Mr. PAGE.—Why does not the honorable member say, in all fairness, that the quantity produced by white labour has increased?

Mr. WILSON.—I have no desire to be unfair. The quantity of sugar grown by white labour has undoubtedly increased, but the quantity grown by black labour has also advanced, and *pro rata* the increase of black-grown sugar is the larger of the two. To continue my quotation—

The additional protection of £2 per ton to sugar grown by white labour has, up to the present, had no effect in reducing the quantity of sugar grown by black labour—quite the contrary. It has, however, largely stimulated the growth of sugar by white labour in parts of the Continent less suited to sugar production. Thus the production of white-grown sugar in Queensland was in 1902 12,000 tons, in 1903 24,000 tons, and in 1904 31,000 tons.

Sir JOHN FORREST.—It should be 39,000 tons.

Mr. WILSON.—I thank the right honorable gentleman for his correction.

As to New South Wales, Sir George Turner, in his last Budget speech, said:—

"New South Wales has undoubtedly received a very large benefit from the sugar rebate, because

before Federation they were growing nearly all their sugar by the aid of white labour; consequently the bonus has been a little godsend to them.<sup>11</sup>

Quite true. A little godsend to the extent of £114,000 in three years for doing exactly what they were doing before. Alongside the sugar farms in New South Wales and Southern Queensland are dairy farms, carried on with white labour to the great profit of their owners and the community, and receiving not one penny of either bonus or protection from the Commonwealth. Contrasted with the tenderness to sugar-growers is the treatment of the fruit-growers of Victoria and Tasmania. They are heavily burdened in order that the sugar-growers may be coddled. They have to carry on their industry, contribute largely to the revenue, and afterwards make a profit if they can. But the sugar-growers are paid large bounties to keep them in an unprofitable industry, and prevent them taking up a profitable one.

There is a great danger that this attempt to grow sugar under hot-house conditions, by paying bounties for its production, may lead to the substitution for the kanaka—who is a good man for the work, and can be, and has been, properly regulated—of Chinamen and Hindoos, who are much less desirable. A great many farms in Northern Queensland are now being worked by, or are coming into the possession of, Chinamen. A conference of sugar-growers of Northern Queensland, whose discussions I have studied, by no means minimizes this great danger.

Mr. PAGE.—Black sugar-growers or white sugar-growers?

Mr. WILSON.—I am referring to a conference of white sugar-growers.

Mr. PAGE.—I do not think that they are crying "stinking fish" about the bounty.

Mr. WILSON.—No; but many of them say that white men cannot work upon the cane fields, although others are of a contrary opinion.

Mr. PAGE.—Does not the honorable member consider that a man of his race could do any work which a black man could do?

Mr. WILSON.—Certain parts of the globe seem to have been set aside by the Creator for black men.

Mr. DAVID THOMSON.—Queensland is not one of them.

Mr. WILSON.—From the information which I have gathered, there are parts of Queensland where it is possible for white men to act as supervisors, but where they cannot be asked to go into the cane-fields to do the trashing.

Mr. MAUGER.—Then why did not the Almighty place black men there for the purpose?

Mr. WILSON.—There are black men in abundance in Northern Queensland, in the aboriginal population.

Mr. MAUGER.—I mean black men of the race who have been employed to do this work.

Mr. WILSON.—The honorable member is ridiculous. In the belt between the tropics of Cancer and Capricorn the aboriginal inhabitants are all black men.

Mr. DAVID THOMSON.—Were there not black men in Victoria originally?

Mr. WILSON.—Yes. I did not say that there were no black men outside that belt; but there were originally only black men inside it. If we look at this matter from the commercial stand-point—

Mr. PAGE.—It is from the humanitarian, not the commercial, stand-point that we are looking at it.

Mr. WILSON.—I wish to see Australia developed on commercial principles, and to see white men earning a comfortable living. A white man trashing in a cane-field in Northern Queensland would not be earning a comfortable living. I wish now to draw attention to some statements in an article which appears in to-day's *Age*. In that journal Mr. Swayne, of Mackay, is reported to have stated at the recent conference of sugar-growers that—

It is quite within the bounds of possibility for Australia to produce annually 1,000,000 tons of sugar, of which 800,000 tons would have to find markets abroad.

This would involve the assistance of coloured labour to the extent of 35,000, an estimate which the writer of the article regards as so exaggerated as to be unworthy of consideration. The article continues—

It may be taken for granted that the production of sugar from cane is established and has become essentially a genuine Australian industry.

I hope that that is the case, and that Australia will shortly meet, and continue to meet, her own sugar requirements. The industry, however, should be carried out under the conditions which will most benefit Australia, and these are the best economic conditions. It is pointed out that the cutting of the cane involves the greatest amount of trouble, and that north of the Burdekin the supply of labour is wholly insufficient. It is suggested that gangs of white labourers might travel from farm to farm, as shearers travel from station to station, going from north to south as the season



advances. A statement of considerable importance is this—

4,491,407 gallons of molasses was obtained. The distribution of the latter is interesting, and as it indicates that cane-growing has an indirect influence in various directions, it may be well to give some particulars. According to the official reports 66,300 gallons of molasses went in 1904 to the distilleries; 491,500 gallons was sold, chiefly for the production of treacle and golden syrup; 600,415 gallons was used for stock feeding purposes; 201,600 gallons was burnt as fuel in the furnaces; 29,200 gallons was taken for manuring purposes; 797,653 gallons was held in store, and 2,304,738 gallons was allowed to run to waste.

This statement is well worthy of the consideration of the representatives of country districts. It seems to me that it should be possible, by mixing this waste molasses with foodstuff, to make a cake for the feeding of animals in times of drought, because, as is well known, molasses mixed with fodder makes a very good food for stock when pasture is not available. The *Age* says very wisely that the fact that so much molasses is going to waste suggests want of enterprise. Most great fortunes in recent years have been made by the utilization of waste products, and here we have a waste product which would not only provide a good food for the poorer classes, but which might, if mixed with other foodstuffs, make a valuable fodder. The suggestion that the expansion of the sugar industry is likely to be largely confined to what may be called the temperate districts claims special attention. If that occurs, it will be a sad thing for Australia, because the temperate districts have always been devoted to other purposes. The tropical areas of Northern Queensland are said to comprise the richest land in that State.

MR. CONROY.—The temperature there does not fall below 35 deg. or 36 deg., and, therefore, the settlers are not troubled with frost.

MR. WILSON.—The settlers there have the advantage, both in fertility of soil and in climate. I desire to direct the attention of honorable members to another matter which is referred to in the same article. It is one which seriously affects the industries in which sugar is used. It is stated—

What makes sugar dear in Australia is the big profits obtained by the refinery. As a fact the whole of the Australian and New Zealand markets are under the control of a single company. The organization is so strongly entrenched that it not only fixes the price at which it will sell sugar, but also deals with the grower in the same manner, by deciding the price of the cane, juice, or raw sugar. This is an in-

tolerable state of affairs, and demands the attention of the Federal Parliament. The huge profits disclosed in the published balance-sheets of the Colonial Sugar Company show where the money goes. If anything is to be done to place the Australian sugar-growing industry on a sounder footing, the first step must be to break down this monopolistic organization.

We have others besides the sugar-growers and the Colonial Sugar Company to consider in connexion with this matter, namely, the consumers, for whom the position becomes very serious, when a monopolistic company is able to keep up the price of sugar in the way that it is now being maintained. The *Age* recognises that some means should be found for the establishment of refineries, which would compete with the Colonial Sugar Company, and I suggest that a portion of the money, which is now allotted to the payment of bonuses, should be devoted to assisting in the establishment of co-operative refineries. In the early days of the dairying industry in Victoria, the Government assisted very materially towards its development, by means of a bonus, and now the production of butter is one of the greatest industries in that State—in fact, it has been the saviour of Victoria. I do not see why we should not, with the assistance of a bonus, succeed in establishing co-operative refineries, because the principle of co-operation amongst farmers has been successfully adopted in the past, and there is room for its further application to other branches of the agricultural industry. I would earnestly commend the articles, from which I have quoted, to the consideration of honorable members who are interested in the sugar industry. A matter of considerable importance is referred to at page 40 of the Budget papers. I find that the defences of Thursday Island in 1904-5 involved an expenditure of £12,049, which was borne by Victoria, New South Wales, Queensland, and Western Australia; neither Tasmania nor South Australia contributing anything. Then, again, the expenditure upon the defences at King George's Sound amounted in 1904-5 to £4,842, and it is estimated that in 1905-6, the outlay will be £5,104. This expenditure is contributed to by New South Wales, Victoria, Queensland, South Australia, and Western Australia, Tasmania again contributing nothing.

SIR JOHN FORREST.—Western Australia contributes one-fourth of the amount payable in regard to the defences at King George's Sound. Digitized by Google

Mr. WILSON.—Yes; and that State also contributes towards the cost of maintaining the defences at Thursday Island. At page 45 of the Budget papers, various items of new expenditure are dealt with. I find that in the Department of External Affairs and the Attorney-General's Department, increases have taken place; that in the Home Affairs Department the expenditure has risen from £34,804 to £42,136; that there was an increase in the Department of Trade and Customs, a decrease in the Defence Department, an increase in the Postmaster-General's Department, and a slight increase in one or two other smaller items. I think we should watch this new expenditure very closely, in order that we may prevent, so far as possible, any further serious diminution of the amount returnable to the States.

Mr. MCCAY.—The Treasurer says that he is economical, and that everything is all right.

Mr. WILSON.—I hope that the right honorable gentleman will, at the end of his term of office, which I hope is not far distant, be able to show us that the statements about his extravagant ideas are without foundation. At page 55 of the Budget papers, we find figures which show that there has been a very serious diminution in the amount returnable to the States, and that, according to the Estimates for the current year, there will be a further falling-off, as compared with last year, of £357,920. At page 82 of the Budget papers, a table is printed, showing the amounts of deposits and of coin and bullion held by the banks of issue in Australia. In 1904 the deposits amounted to £90,000,000, and in 1905 to £96,000,000. That is a very satisfactory increase, and I think that we may congratulate ourselves on the fact that trade continues to show an improvement. The coin and bullion held amounted to £21,490,355. That is also very satisfactory. The honorable member for Kooyong reminds me that it is not a good sign when money is being locked up in the banks. It is satisfactory to have the money to lock up, although perhaps it would be preferable to see it invested in profitable enterprise.

Sir JOHN FORREST.—The amount of coin and bullion is not excessive.

Mr. WILSON.—No; I think it is very satisfactory. Table C, on page 83, shows that the deposits in the savings banks are on the increase, and that the number of depositors is also larger than formerly.

In 1904 there were 1,100,422 depositors, and that indicates that our workmen are continuing to save their money, and that the number of those who are able to put by some portion of their earnings is increasing.

Mr. JOHNSON.—Are the legs of the table solid?

Mr. WILSON.—I think, when we find that the deposits amount to £34,658,430, we may consider that the legs of the table are very solid indeed.

Mr. MAUGER.—There is nothing to equal it in the world.

Mr. WILSON.—It is very satisfactory indeed, and we may congratulate ourselves upon the fact. From page 84 of the Budget papers I learn the acreage which was under cultivation in Australia between the years 1900-1 and 1904-5. This information is contained in table G, which shows that last year the total area under cultivation in the Commonwealth was 11,923,667 acres. I have already shown that along the Murray, Murrumbidgee and Darling Rivers, in the centre of Australia, there is another 50,000,000 acres, which is suitable for intense culture, and that in Australia we have room for a population of more than 60,000,000. Table J sets out the quantity and value of the butter exported from Australia between 1899 and 1904. This is a matter in which Victoria is especially interested. From the official figures, I find that, whereas in 1903, 32,124,709 lbs. of butter were exported, in the following year the quantity had increased to 64,807,962 lbs. of a total value of £2,461,450, which is the highest upon record. In this connexion I maintain that many of the areas which are at present being utilized in New South Wales for the cultivation of sugar-cane could be profitably used by white labour to increase the output of butter.

Mr. LIDDELL. — But sugar-cane pays better than does butter.

Mr. WILSON. — Whilst the sugar-planters are receiving a bonus it does. But in the absence of any exotic conditions, the butter industry would amply repay those who cared to embark upon it. Upon page 89 of the Budget papers appears a table relating to preferential trade.

Mr. MCCAY.—This is the speech which the Treasurer should have delivered.

Mr. WILSON.—The Treasurer laid certain papers connected with the Budget upon the table of the House, and I am

endeavouring for the information of honorable members and the country generally to show that certain matters in those papers are of extreme importance to the people from a financial stand-point. Because the Treasurer failed in this respect—

Sir JOHN FORREST.—I did not fail. If the honorable member will look at page 1220 of *Hansard* he will find all that information.

Mr. WILSON.—I desire to show the comparative trade which the Commonwealth did with the United Kingdom, with British Possessions, and with foreign countries between 1901 and 1904. From the official statistics I find that in 1903 the proportion of the total trade which we did was with the United Kingdom 46·31, with British possessions 23·80, and with foreign countries 28·89. During 1904 the proportion of our total trade with foreign countries had decreased to 26·15. Coming to the question of preferential trade, which, I hope, will be developed during the next few years by a Colonial Conference upon the matter—

Mr. MAUGER. — Why wait for a few years?

Mr. WILSON.—Australia is perfectly willing to enter into a Conference at the present moment.

Mr. MAUGER.—Why does not Australia grant a preference to the goods of the mother country immediately, just as Canada has done?

Mr. WILSON.—I should be perfectly prepared to do that. It is extremely important that we should do as much trade as possible with the Empire. At the same time we should approach the consideration of this question in a business-like way.

Mr. JOHNSON.—Pull down the Tariff wall.

Mr. WILSON.—There is no need to pull down any Tariff wall, because it is merely a question of entering into reciprocal arrangements with the old country. I wish now to direct the attention of honorable members to the fact—as will be seen by reference to page 90 of the Budget papers—that whereas in 1903 the imports into Australia from the United States were £6,368,552, in the following year they had diminished to £4,591,945. In 1903 the exports from Australia to the United States were valued at £2,625,399, but the next year they had decreased to £2,228,843. I should have thought that the quantity of wool exported from the Commonwealth

would have increased the value of our exports to that country rather than have diminished it, but the figures are against my supposition. Our imports from Japan in 1903 were valued at £330,121, and in 1904 they had increased to £421,153. In 1903 we exported to Japan £115,992 worth of goods, and in the following year the amount had increased to £581,214. No doubt that increase was largely due to the war which has just terminated. These figures show that if we will only treat the ally of the Empire in a proper manner, we can do a very large reciprocal trade with her. The rise of Japan amongst the great powers of the world has been a phenomenal one, and it behoves us to do all that we can to foster trade with that country. According to table V. of the Budget papers, Australia has only 1,017,652 pigs, whereas Canada possesses 2,353,838. It will thus be seen that we are weak in pigs. This is a matter of very considerable importance, because I hold that there is a great future for the Australian farmer in pig raising and pork packing. I should like honorable members to recollect the letter of an American merchant to his son, in which he stated that one of the best ways in which a farmer could carry his grain to market was to let it walk there. I wish to impress on our farmers the extreme value of that wonderful rent-paying quadruped, the pig. I have gone carefully through the Budget papers, and have endeavoured to direct attention to various matters which I regard as important. Unfortunately we have a declining revenue and an increasing expenditure. Whilst we should develop the resources of Australia in every possible way, we should always have a due regard to economy, and though I do not suggest that we should be niggardly in our grants, I would urge upon the Treasurer the necessity of keeping a strict eye on the finances, if only for the sake of the States in the Union, which have comparatively small populations.

Mr. McWILLIAMS (Franklin).—I do not propose to detain the Committee very long. There are, however, one or two matters connected with the Budget which so vitally affect Tasmania—one of them particularly affecting my own electorate—that I should be failing in my duty if I did not deal with them now. The question to which I wish chiefly to direct attention has reference to the sugar bounty. So far as Tasmania

is concerned, that is unquestionably the most important item with which the Treasurer dealt in his Budget statement. I have no prejudice against the State of Queensland, or the sugar industry as such, but the position which the people of Tasmania take up is that, whilst the Commonwealth Parliament is seeking to foster one industry, it must be careful that in doing so it does not crush out of existence another of far greater importance to that State, and one which, I venture to say, is equal in importance to the Commonwealth with the sugar industry.

Mr. PAGE.—Does the honorable member know that Queensland has taken £23,000 worth of jam from Tasmania during the last twelve months?

Mr. McWILLIAMS.—Let me remind the honorable member of the effect which the sugar bounty and the duties on sugar have had on the jam manufactures of Queensland. To-day there is not one jam manufactory in Queensland, whereas prior to Federation there were over a dozen. They have been crushed out of existence by the sugar tariff.

Mr. PAGE.—How does the honorable member justify that statement?

Mr. McWILLIAMS.—It is supported by the evidence given before the Tariff Commission at Hobart a few days ago. Honorable members will find that, whereas before the imposition of the Commonwealth Tariff Queensland was annually manufacturing 50,000 cases of jam from pulp sent chiefly from Tasmania—a small quantity also being imported from Victoria—she has now no jam manufactories. The reason for this change is that, whereas the jam manufacturers of Queensland, prior to Federation, could obtain sugar at £9 per ton, they would now be required to pay nearly £20 per ton for it.

Mr. WILKINSON.—Has not the price of sugar increased all over the world?

Mr. McWILLIAMS.—That is so. But the market value of sugar in Australia to-day is the world's market value, plus a duty of £6 per ton.

Mr. GROOM.—But Tasmania is now sending more jam to Queensland than she did prior to Federation?

Mr. McWILLIAMS.—That is correct.

Mr. GROOM.—And the competition of Tasmanian manufacturers has interfered with the Queensland manufactures to the benefit of the State of which the honorable member is a representative.

Mr. McWILLIAMS.—The production of small fruits in Victoria and Tasmania is being seriously handicapped by the duty of £6 per ton which we have imposed on sugar.

Sir WILLIAM LYNE.—The honorable member should speak of something of which he knows.

Mr. McWILLIAMS.—I say distinctly that the Minister of Trade and Customs has not learnt the alphabet of the practical working of the sugar duties. I would refer him to the evidence given before the Tariff Commission at Hobart by Mr. H. Jones, whose firm is the largest manufacturer of jams in Australia. That gentleman distinctly told the Commission that the present duty on sugar was crushing many of the small fruit-growers of Tasmania out of existence. I know that this statement is correct, and I wish that some honorable members who favour the present sugar tariff could be induced to take a trip through the small fruit growing districts of the Huon and the Derwent Valleys. Speaking in all seriousness, I say that it is enough to make one's heart bleed when one visits these districts and sees cattle turned into the raspberry plantations, black and red currant trees being uprooted, and plum trees being cut down, simply because the price of sugar has so seriously affected the growers.

Mr. GROOM.—Does the honorable member say that since Federation there has been a decrease in the manufacture of jam in Tasmania?

Mr. McWILLIAMS.—I assert that there has been no increase. Before Ministers come down to the House with proposals in regard to the sugar industry, they should endeavour to make themselves familiar with all its ramifications. It is said that Tasmania had a duty of £6 per ton on sugar prior to Federation.

Mr. HUME COOK.—How can the honorable member say that the present price of sugar has had the effect, so to speak, of chopping down plum trees in Queensland and planting others in Tasmania?

Mr. McWILLIAMS.—I have not said anything of the kind. I venture to assert that in Victoria and Tasmania plum-growing has practically ceased to be remunerative.

Sir JOHN FORREST.—Prior to Federation Tasmania had a duty of £6 per ton on sugar.

Mr. McWILLIAMS.—Quite so; but the point which the Minister has utterly failed

to grasp is, that Tasmania allowed a rebate of the full amount of the duty in respect of every ounce of sugar used in jam exported from that State.

Sir WILLIAM LYNE.—A rebate is now allowed in respect of jam exported to parts beyond the Commonwealth.

Mr. MCWILLIAMS.—That is not the point. Prior to Federation, Tasmania was manufacturing jam practically for the mainland, and for parts beyond the Commonwealth. The local consumption of jam would not be sufficient to keep one factory going, because the great majority of the people in the fruit-growing districts make their own preserves. Prior to Federation, the whole of the sugar used in the jam which Tasmania exported—and which represented practically the whole of her output—was absolutely duty free. A rebate was allowed on every ounce of sugar used in jam sent from Tasmania to the mainland as well as to parts beyond.

Mr. MAUGER.—The honorable member is making a mistake.

Mr. MCWILLIAMS.—I certainly am not. If the conditions prevailing prior to Federation now applied to the jam manufacturers, their position would be markedly different. I wish honorable members for Queensland to remember that, under the Commonwealth system of granting rebates, the manufacturers of jam in Tasmania are being deterred from using Queensland sugar. If Queensland sugar be used in jam manufactured for export beyond the Commonwealth a rebate of five-sixths of the excise duty of £3 per ton is allowed, whereas, if our manufacturers use the imported sugar, they secure a rebate of five-sixths of the duty of £6 per ton.

Mr. MAUGER.—Then why is the honorable member complaining?

Mr. MCWILLIAMS.—Because I should prefer to see the jam manufacturers of Victoria and Tasmania using Queensland sugar.

Mr. MAUGER.—The honorable member has changed his premises.

Mr. MCWILLIAMS.—I do not think that I have. I wish honorable members to understand that, under existing conditions, the largest jam manufacturer in Tasmania last year used 1,400 tons of sugar, 1,300 tons of which were imported from parts beyond the Commonwealth, the reason for this preference being that a rebate of five-sixths of the duty of £6 per ton on foreign sugar so used is allowed.

Sir JOHN FORREST.—I would not allow it.

Mr. MCWILLIAMS.—The right honorable gentleman would give us nothing. We have never had to thank him for anything. The practice of using foreign-grown sugar is forced upon our jam manufacturers by the stupidity of Ministers. They have to use it in preference to Australian-grown sugar, in order to carry on successfully. Would the honorable member for Melbourne Ports seriously suggest that the jam manufacturers should use Queensland sugar, on which they would receive a rebate of only £1 per ton, seeing that they would be entitled to a rebate of £2 per ton on the imported sugar?

Sir JOHN FORREST.—Was there not a duty on jam coming into Victoria prior to Federation?

Mr. MCWILLIAMS.—Yes.

Sir JOHN FORREST.—Then Tasmania has been benefited by the removal of the duty as the result of Federation.

Mr. MCWILLIAMS.—Victoria is practically producing all the jam that is required for local consumption. Every statement I make, when speaking on behalf of the small fruit-growers of Tasmania, is distinctly applicable to the small fruit-growers of Victoria.

Mr. GROOM.—Did not the Queensland duty have the effect of keeping Tasmanian jam out of that State, and of allowing only the pulp to come in?

Mr. MCWILLIAMS.—That is so.

Mr. GROOM.—And now, instead of the pulp being sent to Queensland, the manufactured article is shipped from Tasmania to that State?

Mr. MCWILLIAMS.—Exactly. But honorable members forget that the high price of sugar compels the jam manufacturer to give as little as possible for his fruit. He is forced to do this in order to be able to place his product on the market at a certain price. The moment his price goes beyond that level his output is thrown open to competition from other sources, such as treacle, &c.

Mr. WILKINSON.—Will the honorable member tell me why the fruit-growers of Queensland are altogether opposed to the rebate?

Mr. MCWILLIAMS.—The fruit grown in Queensland is entirely different from the small fruits of Victoria and Tasmania. In the one case we have a tropical, and in the other a temperate product. Sugar is wholly the raw material of the jam manufacture—

of Tasmania and Victoria, and I wish to briefly state what I think ought to be done in favour of an industry which has just as much right to the consideration of this Parliament as has any other industry in the Commonwealth. I have the authority to state, on behalf of the jam manufacturers of Tasmania, that the duty on jam may be removed to-morrow, so far as they are concerned, for it is not worth a snap of the fingers if they are given sugar free of duty.

Mr. MAUGER.—If it were abolished they would soon cry out.

Mr. McWILLIAMS.—I am speaking on behalf of the jam manufacturers of Tasmania.

Mr. GROOM.—Did they give evidence before the Tariff Commission to support your assertion?

Mr. McWILLIAMS.—They did. There is now a duty of practically £14 a ton on jam; but, as Tasmania exports most of her product, that duty has never been of the slightest use to her. When Mr. H. Jones was being examined by the Commission the following question was put to him by Senator McGregor:—

If the £14 per ton duty were knocked off jam is there any risk of jam being imported from the old country?

Mr. Jones replied, "Not the slightest." He went on to say—

The duty is not of the slightest use to us. Give us our raw material free, and you can take the entire duty off jams.

Sir WILLIAM LYNE.—He sang a very different song not very long ago.

Mr. McWILLIAMS.—He did not do anything of the kind. I have been acquainted with Mr. Jones for some time, and have no hesitation in stating that the Minister of Trade and Customs is distinctly wrong if he wishes to suggest that this gentleman was not always prepared to advocate the removal of the duty on jams, provided that the sugar imposts were removed. When Mr. Jones was before the Tariff Commission the following question was put to him by Mr. Clarke:—

If you had duty-free sugar, would you also be prepared to see the duties taken off fresh fruits, fruits in pulp, all kinds of preserves and fruits; also jams?

That was a pretty wide question. It covers practically everything. The answer is distinctly, "yes."

Mr. Clarke.—You would be quite prepared to stand or fall on your own?—Yes.

I want honorable members to remember the effect of this sugar duty. The honorable

and learned member for Corinella last night stated that the percentage increase of white-grown sugar was three times as large as that of black-grown sugar; but in this instance no more ridiculous comparison could be made than that of the percentage. It is just as if the honorable and learned member had compared the increase of two towns by saying that one had doubled its population, and the other had increased it by one-sixth, when the true facts were that one town of 1,000 inhabitants had gained another 1,000, and that another town of 5,000 inhabitants had also gained 1,000. The facts in connexion with the sugar industry are that the production of white grown sugar has increased from 12,000 to 52,000 tons, and that of black-grown sugar from 65,000 to 105,000 tons.

Mr. GROOM.—But the honorable member must remember the start which the black-grown sugar had.

Mr. McWILLIAMS.—That does not affect the present result.

Mr. GROOM.—It was alleged that white men could not work in the cane-fields, and the effect of the bounty has been to show that they can.

Mr. McWILLIAMS.—I am not one of those who said that white men could not work in the cane-fields of Queensland, though it may surprise some honorable members to learn that the chief opposition to me at the last elections was because I was not disposed to vote to rescind the White Australia provisions of our legislation.

Mr. RONALD.—The honorable member was following the Prime Minister then.

Mr. McWILLIAMS.—No.

Sir WILLIAM LYNE.—I do not think he knows whom he has been following.

Mr. McWILLIAMS.—I should be very hard pressed if I followed the Minister of Trade and Customs. I have never taken part in "stone-walling" proceedings in this Chamber, nor have I spoken except on subjects in which I take a serious interest. I claim my right, however, when any matter of public importance, or vitally affecting the interests of those who sent me here, comes up for discussion, to speak on it; and the Minister will gain nothing, and will not draw me off the track, by endeavouring to introduce personalities. The Queensland sugar industry has never stood on its own basis, because it has always had the support of the Government. The Queensland Parliament has legislated in regard to it

for the last thirty-five years; and I hold in my hand a return prepared during the recess, to the order of the House on my motion, just before the prorogation, as to the conditions on which sugar mills were erected in Queensland by the Government of the State, and the extent to which the planters of Queensland have carried out the obligations into which they had entered in regard to those mills.

Mr. GROOM.—The honorable member should read the report of the inquiry made by a Queensland officer into the subject.

Mr. McWILLIAMS.—I moved, on the 16th November last—

That a return be laid upon the table of the House showing—

1. The number of sugar mills erected in Queensland, for the cost of construction of which the Government of that State is directly or indirectly responsible.

2. The conditions imposed by the Government on those on whose behalf the said mills were erected.

3. The number of such mills which have not fulfilled their monetary obligations to the State.

4. The amount of arrears in interest and other liabilities (if any) owing in connexion with the mills, and total responsibilities therein of the State of Queensland.

The reply I received was that in respect to eight mills, the total responsibilities of the Government were £415,000, and the total liabilities of the planters to the Government, £583,788.

Mr. WILKINSON.—They are pulling up now.

Mr. McWILLIAMS.—This information was obtained from the Government of Queensland only a short time ago. With what was done by the State of Queensland for the encouragement of the sugar industry I have no concern. It is now proposed to extend the operation of the bounty for another five years, at the end of which time the planters will again come to us for assistance. That is the history of all bonuses. Of course, it is not fair to suddenly deprive an industry of a bonus; and I would be prepared to agree to a sliding scale reduction, which would eventually extinguish the bonus, as was suggested by me last session, and has been suggested by the honorable member for South Sydney and the honorable and learned member for Corinella during the present session. Let the bonus diminish as the duties on the special Tariff of Western Australia diminish.

Sir JOHN FORREST.—The Convention provided for the reduction of the Western Australian duties.

Mr. McWILLIAMS.—Yes, and I regret that Tasmania had not a representative there who would have shown the same forethought in regard to her finances as the right honorable gentleman showed in regard to the finances of Western Australia. If she had, it would have helped her enormously through the first years of Federation.

Sir JOHN FORREST.—It would have suited Tasmania to have had a similar Tariff.

Mr. McWILLIAMS.—I have always congratulated Western Australia on the possession of her special Tariff. If Parliament would allow to the manufacturers of jam a full rebate on the sugar used as their raw material—

Mr. GROOM.—Does the honorable member mean a refund of £2 of the Excise?

Mr. McWILLIAMS.—I would give manufacturers whose raw material is sugar the same right to a rebate as is given to other manufacturers.

Mr. MAUGER.—That is a selfish proposal.

Mr. LONSDALE.—Is it selfishness for the manufacturers of Victoria to want protection?

Mr. MAUGER.—Certainly.

Mr. McWILLIAMS.—I am surprised to hear the honorable member for Melbourne Ports describe as selfish what is a fundamental principle of protection.

Mr. MAUGER.—The fundamental principle of protection is to protect every manufacturing industry that can be established in Australia.

Mr. McWILLIAMS.—Does any protectionist desire to ruin one industry in order to bolster up another?

Mr. KENNEDY.—How would the honorable member meet the difficulty to which he is drawing attention if we were producing all the sugar used in Australia? Would not his proposal be equivalent to the giving of a bounty on the export of jam?

Mr. McWILLIAMS.—Unless we allow a monopoly to control the business, the market price of the world will rule in Australia in respect to sugar when we produce all that we can consume, supposing that the Queensland sugar-grower is placed in the same position as the wheat-grower or fruit-grower of other States. The figures produced at a conference of sugar-cane growers in Queensland prove conclusively that although sugar has jumped up in price to from £23 to £24

per ton, the cane producer is receiving a very small proportion of the increase. He has not received nearly the same increase that the Sugar Company has appropriated to itself.

Mr. KENNEDY.—How would the honorable member deal with the position I have stated? Assuming that Australia produced sugar sufficient to meet all requirements, would the honorable member give to the jam manufacturers a rebate equivalent of the present duty?

Mr. McWILLIAMS.—So long as the duty is retained at £6 per ton, and the price of imported sugar is increased by that amount, the jam manufacturer has a perfect right to a rebate equivalent to the duty.

Mr. PAGE.—The jam manufacturer already receives that rebate on the jam he exports.

Mr. JOSEPH COOK.—No, he does not.

Mr. McWILLIAMS.—My point is that under present conditions the jam manufacturer is discouraged from using Queensland sugar. There is a duty of £6 per ton upon imported sugar, and an Excise duty of £3 per ton on sugar grown in the Commonwealth. If the jam manufacturers use Queensland sugar, and export, as do the manufacturers of Tasmania, fully one-half of their output, they receive a rebate to the extent only of five-sixths of the amount of the excise duty of £3. If, on the other hand, the manufacturers use Fiji or Mauritius sugar, which is subject to a duty of £6 per ton, they receive a rebate amounting to five-sixths of that duty. Therefore, they receive twice as much rebate upon foreign-grown as upon Queensland sugar. The result is that Messrs. Jones and Company, who are the largest jam producers in Tasmania, use almost entirely foreign sugar—thirteen-fourteenths of the sugar they use is imported from parts beyond the Commonwealth.

Mr. PAGE.—I shall not eat any more of their jam.

Mr. McWILLIAMS.—The honorable member must not blame the manufacturer, but the stupid arrangement which compels him for his own protection to do as I have described. I desire that Queensland sugar shall be used, as far as possible, to meet every requirement of the Commonwealth. No one will be more pleased than I will, when I find that the production of Queensland sugar has increased to such an extent that it will meet all our require-

ments. Under the present stupid conditions, however, we give the jam manufacturer a bonus equivalent to £1 out of every £2 if he will use imported sugar. In the name of all that is reasonable, is that to the interest of the sugar-growers of Queensland?

Mr. KENNEDY.—The trouble is that we have collected a duty upon imported sugar, and thereby obtained money with which to pay the rebate; but if we do not collect that duty we shall have to find the money for the rebate from some other source.

Mr. McWILLIAMS.—Under present conditions we are giving 100 per cent. inducement to the jam manufacturer to use imported sugar in preference to the Queensland product.

Mr. KENNEDY.—I admit that.

Mr. McWILLIAMS.—I would ask honorable members if that is the way to encourage local industry?

Mr. KING O'MALLEY.—That is bad protection.

Mr. McWILLIAMS.—I say that it is bad business, and opposed to the dictates of common sense.

Mr. MAUGER.—Imported sugar is used only in jam intended for export.

Mr. McWILLIAMS.—Half the jam produced in Tasmania is manufactured for export to parts beyond Australia. We send our jams to South Africa, to Japan, and the East generally. It may surprise honorable members to know that the manufacturers of Tasmania have not waited for the Commonwealth to appoint commercial agents, but have made their own arrangements in that regard all through the East. As honorable members may see from the evidence given by Mr. Jones before the Tariff Commission at Hobart, half his total output is sent to parts outside Australia.

Mr. MAUGER.—What about the sugar used in the other half?

Mr. McWILLIAMS.—It would not be possible for him to make any special distinction between the jam manufactured for the home and for the export trade, and as it is necessary for him to use imported sugar in order to secure the larger amount of rebate in respect to the jams exported, he makes one deal of it, and buys the whole of his sugar in one lump. In dealing with this matter, I would ask the Government to consider whether it would not be possible, alike in the interests of the jam manufacturers and the sugar-planters, to



devise some means by which they can get rid of the present hampering influences. Present conditions are not fair to the Queensland planter, because one of the chief sugar users in the Commonwealth is compelled for his own protection to use imported sugar, whereas he would naturally prefer to buy what he requires here if the conditions were equal. I know that the Government desire to help the Queensland sugar industry, and I suggest that they should, in pursuance of that object, do their best to remove the inducement which is at present held out to manufacturers to go beyond Queensland for their raw material.

Mr. MAUGER.—How many manufacturers do that?

Mr. McWILLIAMS.—I could not say, but I should think that any manufacturer who exported jam beyond the Commonwealth would use imported sugar if only in order to secure the higher rebate.

Mr. KENNEDY.—What remedy would the honorable member suggest?

Mr. McWILLIAMS.—I contend that the manufacturer should receive a rebate equal to the full amount of duty for every ounce of sugar he uses for manufacturing purposes.

Mr. KENNEDY.—That is practically what is done now, the only distinction made being between the amount of the Excise and the import duty.

Mr. McWILLIAMS.—That is precisely what is not being done now. The rebate is allowed in respect to all the exported jam, but none is granted in respect to the jam consumed in Australia.

Sir WILLIAM LYNE.—Why should a rebate be granted if no duty is charged?

Mr. McWILLIAMS.—The jam manufacturer has to pay an equivalent to the duty, owing to the extent to which the sugar is increased in price by the operation of the duty. The ordinary price of sugar f.o.b. at Melbourne, Hobart, or Sydney is from £12 to £13 per ton.

Sir WILLIAM LYNE.—Last year the price went up to £20 per ton.

Mr. McWILLIAMS.—I know that the present conditions are unusual, but I have figures here to show that in 1899 Queensland sugar was quoted at £13 per ton; in the following year at £13 15s. per ton; in the succeeding year at £13 5s. per ton, and in the next year at £15 per ton. In 1902-3 Queensland sugar was quoted at £15 12s. 6d., and foreign sugar at from

£11 17s. 6d. to £12 12s. 6d. In 1903-4 the price of Queensland sugar was £15 12s. 6d., and of foreign sugar £12 12s. 6d. These prices are exclusive of duty and excise.

Sir WILLIAM LYNE.—Whence does the honorable member obtain those figures?

Mr. McWILLIAMS.—They were quoted by Mr. Jones, of Jones and Co., of Hobart, when giving evidence before the Tariff Commission.

Sir WILLIAM LYNE.—The figures which I have in my office are very different.

Mr. McWILLIAMS.—In 1904-5 Queensland sugar was sold at £15 7s. 6d., and foreign sugar at £12 7s. 6d., and the prices for 1905-6 are quoted as Queensland sugar £15, and foreign sugar £12 17s. 6d. per ton. The last prices presumably are those at which Mr. Jones has contracted for the supply of sugar for the current year. These figures show that I was well within the mark when I said that the price of foreign sugar f.o.b. at Melbourne, Hobart, or Sydney was between £12 and £13 per ton in ordinary years. I know that shortages will sometimes occur, and that the price will go up, as happened recently when sugar was quoted at £24 per ton. No matter, however, what may be the price of foreign sugar f.o.b. at our principal ports, the quotation for Queensland sugar will, owing to the monopoly of the Sugar Company, always represent the price of the foreign sugar, plus the full amount of the duty.

Mr. TUDOR.—The honorable member's figures do not bear out his statement, because the difference between the prices for 1905-6 is only £2 17s. 6d. per ton.

Mr. McWILLIAMS.—To that must be added the excise of £3 per ton. I do not wish to labour the matter; but I ask honorable members, whilst they are considering the assistance they are prepared to give to the sugar industry, to remember that there are, scattered throughout Victoria and Tasmania, hundreds of the very class of men whom we want to settle in Australia. These men have gone into the forest, without any capital beyond their own energy and industry, and have established little homes for themselves, and have planted gardens with raspberries, currants, and other small fruits, and we are now placing a heavy burden upon them by reason of the provision we have made for the assistance of the sugar industry. I would also point

out that the sugar planter is receiving a very small proportion of the increase which has been brought about in the price of sugar. This is owing to the huge monopoly which now controls the whole trade.

Mr. MAUGER.—Does not the honorable member think that it would be a good thing to nationalize the sugar industry?

Mr. McWILLIAMS.—If matters are allowed to proceed as at present, I may be induced to assist in nationalizing a good many things. I do not shy at the suggestion of the honorable member so much as might be thought, but I want honorable members to recollect that by offering heavy bonuses and imposing high duties they are encouraging monopolies.

Mr. MAUGER.—The sugar monopoly is not a new one in Australia.

Mr. McWILLIAMS.—I am aware of that fact. Personally, I am of opinion that there should be no Excise duty chargeable upon Queensland sugar. I have always held the view that it is no fairer to levy an Excise duty upon Queensland sugar than it is to make a similar charge upon Tasmanian apples, Victorian wheat, or New South Wales butter. All these commodities are the natural products of the different States. So long as protection is the accepted policy of this House, I am prepared to give to the Queensland sugar-grower a measure of protection proportionate to that which we extend to every other producer in Australia. But I do not wish to perpetuate a system under which assistance is rendered to an industry in one State in such a way as to crush out an equally important industry in another State.

Mr. KENNEDY.—Under existing conditions, does not the exporter beyond the Commonwealth obtain a rebate of five-sixths of the Customs and Excise duties which are collected?

Mr. McWILLIAMS.—Yes.

Mr. KENNEDY.—Anything in excess of that would practically be in the nature of a bonus?

Mr. McWILLIAMS.—The fruit-growers of Tasmania do not desire a bonus. They pay the full amount of duty upon the total consumption of their manufactured article within the Commonwealth.

Mr. KENNEDY.—Do they want a rebate upon that, too?

Mr. McWILLIAMS.—No, but they do not wish to pay a duty upon their raw material.

Mr. KENNEDY.—They enjoy a protection of 1½d. per lb. upon jam.

Mr. TUDOR.—As half of that jam consists of sugar, they pay in reality only about three-eighths of a penny per lb. in duty.

Mr. McWILLIAMS.—I do not quite follow the honorable member.

Mr. MAUGER.—What is the amount of duty that is levied upon a tin of jam?

Mr. McWILLIAMS.—It works out at about a halfpenny. I want honorable members to recollect that the fruit-growing industry in Tasmania is not a small one. It is a natural industry—the one above all others which is suited to the conditions that obtain in that particular State. I claim that this House should exhibit the most complete sympathy with an industry in which a man without capital can make a comfortable living upon a very small block of land. There is no industry in Australia which is so conducive to closer settlement as is the fruit-growing industry.

Mr. MAUGER.—From how many acres can a man obtain a living?

Mr. McWILLIAMS.—I think that the average in Tasmania would be under 10 acres of orchard per family. Scores of men are making a good living off 6 or 7 acres of orchard. These people do not ask for a bonus—they do not ask for assistance. They merely say—"Do not place a handicap upon our natural industry." All they desire is that they shall be left alone. Only to-day I had an interview with a Tasmanian member of the Fruit-growers' Conference, who is at present in Melbourne, and he informed me that the average production this season would be about 7,500 lbs. of raspberries or currants per acre. To convert that fruit into jam would require about three and a half tons of sugar, upon which a duty of £21 would be collected. Half of that quantity would be exported, and upon that proportion five-sixths of the duty would be refunded; but upon the other half, which is consumed in Australia, no rebate would be allowed. I am sure that the honorable member for Melbourne Ports will be interested to learn that during last year the number of employes of Messrs. H. Jones and Co., of Hobart, ranged from 140 in midwinter to 750 in midsummer. Even in a city like Melbourne, an industry which employed that number of hands would be regarded as a very considerable one.

Mr. MAUGER.—How many factories are there paying less than 30s. a week?

Mr. McWILLIAMS.—The number of hands at present employed by the firm I have mentioned is 170.

Mr. TUDOR.—Are those the figures which were given before the Tariff Commission?

Mr. McWILLIAMS.—Yes. I am giving these figures, because I know that the evidence taken by that body will not be available until after this debate has closed. The total wages paid by Messrs. H. Jones and Co. amount to £214 weekly, or an average of 25s. per hand. Labellers—girls upon piecework—average from 20s. to 30s. per week all the year round—the Victorian rate being 14s. per week.

Mr. TUDOR.—I have heard quite a different statement from that.

Mr. McWILLIAMS.—That may be so. I am aware that a member of the Tasmanian Parliament came over to Victoria and vilified and scandalized the industry to an extent which was discreditable to himself rather than to the State which I have the honour to represent.

Mr. TUDOR.—I made personal inquiries into the matter whilst I was staying in Hobart.

Mr. McWILLIAMS.—The figures which I am quoting were given before the Tariff Commission, so that the honorable member will have an opportunity of verifying them. I know of no more honest and straightforward man than the gentleman who gave this testimony. It seems to me that Mr. Jones gave his evidence in the most straightforward manner. I repeat that labellers—that is, girls engaged upon piecework—receive an average wage of from 25s. to 30s. per week all the year round, whereas the Victorian rate is only 14s. per week.

Mr. MAUGER.—When the honorable member refers to the Victorian rate, he means the minimum rate, not the Victorian average. There is a very great difference between the two.

Mr. McWILLIAMS.—I am speaking of the rate that is paid under the determination of the Wages Board.

Mr. TUDOR.—That is the minimum rate.

Mr. LONSDALE.—Who gets more than the minimum?

Mr. TUDOR.—I can take the honorable member into a factory in which every man employed receives more than the minimum wage.

Mr. LONSDALE.—How much more?

Mr. TUDOR.—About 7s. 6d. per week more.

Mr. McWILLIAMS.—Case-makers who are employed upon piece-work average from 35s. to 50s. all the year round. The total wages paid by Messrs. Jones and Co. amount to from £15,000 to £18,000 per annum. Even in a large city like Melbourne or Sydney an industry which paid that sum in wages annually would be regarded as a considerable one, and one which was worthy of every consideration at the hands of honorable members.

Mr. MAUGER.—Did the same gentleman reveal the profits which he made from his business?

Mr. STORRER.—Why should he do so?

Mr. McWILLIAMS.—If a manufacturer, at his own risk, establishes an industry, asking for neither bonus nor Tariff, and pays a fair wage to his employes, as Mr. Jones does—

Mr. MAUGER.—But 25s. a week is not a fair wage to pay to men.

Mr. McWILLIAMS.—I do not think that the wages paid by him are so low as the honorable member suggests.

Mr. MAUGER.—The honorable member stated that the average was 25s. per week.

Mr. McWILLIAMS.—That is the average paid to all his employes, and these include a very considerable number of children. The honorable member must know that in the fruit season a large quantity of juvenile labour is employed in cleaning the fruit, and in performing other little odd jobs. It seems to me that, in giving evidence before the Tariff Commission, it is not necessary for a manufacturer to disclose the profits which he makes from his business so long as he makes it clear that he extends reasonable treatment to his employes. I do not propose to detain the Committee by discussing the general matters which were referred to in the Budget; but I do ask the Treasurer to bear in mind one statement made by the honorable and learned member for Corinella. I wish publicly to thank that gentleman for his action, whilst holding the portfolio of Minister of Defence, in coming to Tasmania at very considerable personal inconvenience, and settling a very serious difficulty there. The Hobart Artillery Corps. it will be remembered, had been treated with very scant consideration indeed by Major-General Hutton. I have never contended that its members did not commit an error of judgment, but I claim that for the late Commandant of the Military Forces

to sweep out of existence, with one stroke of the pen, a corps whose record had been of the most exemplary character, and some of whose members were due for their long-service medals—men who had served for years without receiving one copper from the State, and who had been compelled to purchase their own ammunition—was a great mistake. The Treasurer is aware that I took a very considerable interest in that trouble, and endeavoured to get it settled. The present Postmaster-General, when Minister of Defence in the previous Deakin Administration, said that if an opportunity offered during the recess he would visit Tasmania in order to discuss the matter. His Government, however, went out of office before Parliament was prorogued, and he was unable to carry out his proposal. His successor, the honorable and learned member for Corinella, visited Hobart, and, as Minister of Defence, received a deputation from the non-commissioned officers and men. The honorable and learned member spent nearly two hours in discussing the matter with them, and as the result of the interview a basis of agreement was arrived at, upon which the whole of the men consented to go back as a complete corps. The Minister promised that if that were done arrangements would be made as soon as the House met for the reinstatement of the corps. I believe from the statements made yesterday by the Treasurer and the honorable and learned member for Corinella that a small reduction is being made in the defence vote for Tasmania by postponing the proposed increases until the 1st January next. For the last five years we have suffered delay after delay in this way, and this has given rise to all the trouble that has taken place in connexion with the Defence Forces in Tasmania. I appeal to the Government to carry out the promise made by the late Minister of Defence when he visited Hobart. It is true that he is unable to give effect to the pledge which he gave, but there is such a thing as inherited responsibility, and, in view of these promises, I hope that action will immediately be taken. I actually took to the men a promise in writing from the present Postmaster-General when he was Minister of Defence, and I urge the Government not to upset the arrangements that have been made.

Mr. AUSTIN CHAPMAN.—The arrangements will not be upset. If the promise was made it will be honoured.

*Mr. McWilliams.*

Mr. McWILLIAMS.—I at once accept the statement made by the honorable gentleman, and by the outgoing mail to-night shall convey what I know will be pleasing intelligence to the men, who take a great interest in this question.

Mr. KING O'MALLEY.—Does the honorable member believe in increased military extravagance?

Mr. McWILLIAMS.—I do not. I listened with great pleasure to the speech delivered yesterday by the honorable and learned member for Corinella—a speech which, in my judgment, is one of the ablest on the subject that I have ever heard. I am one of those who have always held that our defence system is on a wrong basis. The whole of the revenue of Australia is insufficient to give us an adequate military force on the lines now being followed. I strongly advocate a system under which every child attending our State and private schools would be compelled to learn the rudiments of drill, and taught also how to handle a rifle. I would compel every young man to undergo a certain number of military drills, and to go into camp from time to time for that purpose.

Mr. MAUGER.—Then the honorable member believes in conscription?

Mr. McWILLIAMS.—I do; but I should treat rich and poor alike. No distinction whatever should be made. It is only in this way that we shall be able to secure a defence force capable of defending Australia when the pinch comes. The mere handful of men that we can maintain on the present terms would be insufficient to enable us to hold our own against even a third-rate power, if we lost the protection of the British Navy. I have always thought that in the matter of defence we have sponged on the mother country. Great Britain pays about £35,000,000 per annum for the maintenance of her Navy, and towards that expenditure Australia contributes only £200,000 per annum. I would prefer to see portion of the sum which we are now expending on militarism devoted to an increased subsidy to the Imperial Navy—which is, after all, our chief protection—and would spend the balance of the Defence vote on a purely citizen force. We should then be able to devote the rest of the money that we now expend on our defences to the work of developing Australia on truly progressive lines—to the settlement of the people on the land, rather than to the training of them in military

encampments. I thank the House for the consideration which it has extended to me, and must apologize for having spoken at such length. I can assure honorable members that it has been from no desire to unduly prolong the debate that I have occupied their attention so long, but because I believe that our present fiscal system is striking a serious blow at what must be for many years to come one of the most important industries of the Commonwealth—the fruit-growing industry of Victoria and Tasmania.

Mr. LONSDALE (New England).—In delivering his Budget statement the Treasurer, instead of giving us a fair outline of the position of the Commonwealth, seems to have simply put before us a set of undigested figures. Various returns had apparently been placed in his hands by heads of Departments, but the right honorable gentleman did not appear to understand them.

Sir JOHN FORREST.—That is good, coming from the honorable member.

Mr. LONSDALE.—I have read the right honorable gentleman's speech, and have endeavoured to understand it, but it is difficult to know what he was really driving at. From his introductory remarks one might have imagined that he was going to give the House something very much better than we usually get in the shape of a Budget statement. In alluding to the fact that we do not secure many immigrants, the right honorable gentleman said—

When an immigrant comes to this country he feels that he "holds his head to other stars," and that he has left behind him those that shone upon him in his old home—he feels that he has left his native shores, if not for ever, at any rate for a very long time.

In these poetic words he told us of the coming of emigrants from the old country; but when he dropped poetry and came to the prosaic we find that for some reason or other he did not appear to understand the figures that had been placed in his hands, and from first to last was incapable of answering any question put to him. For example, when the honorable and learned member for Northern Melbourne asked him—

Was the reduction in Customs revenue owing to the sugar bounties?—

his answer was—

I shall deal with that when I come to speak of the Customs and Excise revenue.

Various other questions were put to him, but instead of giving direct and positive answers, the right honorable gentleman offered nothing but evasive replies. When the honorable member for Wentworth asked the Treasurer—

Can the right honorable gentleman give us any particulars as to what the arms and armament are?—

his reply was—

The honorable member will find full information in the Estimates.

Then the honorable and learned member for Werriwa interjected—

As I read the figures, the total expenditure on defence comes to over £1,000,000; is that so?—

The Treasurer's reply was—

I shall deal with other particulars a little further on.

Mr. JOHNSON.—He was always going to deal with them "further on," but he never got there.

Mr. LONSDALE.—That is so. His questioners never obtained the information they desired to elicit. The honorable member for Wentworth also interjected—

The right honorable gentleman significantly omits to mention the garrison forces. Is the *personnel* of those forces to be made up?—

but the only answer he could obtain was—

The honorable member had better ask the Minister of Defence about the garrison forces.

When the honorable and learned member for Werriwa interjected later on, "These figures represent £1,250,000 per year," the Treasurer replied—

The honorable and learned member may count them up in that way if he pleases.

He never attempted to give information to those who sought it. In his hearty, blunt way, he bluffed his interrogators, and refused to supply information that would have cleared up many matters. Coming to questions of policy, we find that from beginning to end the right honorable gentleman did no more than touch the fringe of them. As a matter of fact, the Treasurer should lead the House on matters of policy, but the right honorable gentleman did not attempt to do anything of the kind. It is true that when dealing with the Defence Estimates, he gave us some indication of the Government policy in this regard, but he did not appear to be sure whether he was on safe ground. He did not seem to be quite satisfied that the tail or the head of the party—whichever it may

have been—would agree with him. In speaking of the Defence vote, he said—

At the present time the people of Australia, who are a self-reliant and progressive people—as I shall be able to show before I sit down—pay only one-fifteenth per head of the amount paid by the people of the mother country for their naval defence. That being so, the matter only requires to be put before them in a way that is acceptable to them, when I feel sure that it will have the attention that it deserves.

He did not attempt to say, however, that the Government would put the matter before the people.

Sir JOHN FORREST.—What was the next statement that I made?

Mr. LONSDALE.—I was coming to that. The right honorable gentleman continued—

I am authorized to state that the Government will give the most serious attention to this subject. They are fully alive to the urgency of providing for our harbor defence—

That had nothing to do with the question of the naval subsidy, to which he had just been referring—

of placing our forts in an efficient condition, and of doing our very best to protect our coasts.

Mr. JOSEPH COOK.—Were they not safe proposals?

Mr. LONSDALE.—Extremely safe.

Mr. JOHNSON.—They were non-committal.

Mr. LONSDALE. — The right honorable gentleman was determined not to commit the Government to anything. He should have obtained permission to say what he wanted to say. There is no indication that the Government propose to increase the naval subsidy, and, though the Treasurer seems to suggest that we are not paying as large a subsidy as we ought to pay, he does not commit the Government to any action in the matter.

Mr. JOHNSON.—I call attention to the state of the Committee. [*Quorum formed.*]

Mr. LONSDALE.—The Treasurer gave us certain figures relating to the revenue and expenditure of New Guinea, and when the honorable member for Franklin asked how much was spent in maintaining officials, replied that the information was to be found in the Budget papers. The right honorable gentleman continued—

The honorable member will find that information in the Budget papers. This must be a fine Territory to be able to support 375,000 coloured people with the primitive means of production which they adopt. I see no reason why it should not be a self-supporting and flourishing Possession. The labour of the native population would surely be available if called upon; but capital and enterprise are required for the opening up of the

country. It requires to be opened up and made available for the investment of capital by the laying out of roads, by encouraging the occupation of the land, and in many other ways.

Mr. LONSDALE.—Where would the producers of New Guinea send their produce if it were opened up?

Sir JOHN FORREST.—To Australia, if this country would take it, or to the world's markets, about which the honorable member is always speaking.

Mr. LONSDALE.—Would it not be in opposition to our White Australia policy to allow the produce of the natives of New Guinea to compete with the products of our own people?

Sir JOHN FORREST.—We have taken over the Territory, and have a responsibility in regard to it; and if we leave it idle we shall show ourselves unequal to the task we have taken upon ourselves.

Will any one say what is the policy of the Government in respect to the products of New Guinea? I would allow them to come into Australia free. We spend £20,000 a year on the Territory, and yet we treat those who go there from Australia as foreigners.

Sir JOHN FORREST.—Why did not the honorable member fix up a policy?

Mr. LONSDALE.—I have never had an opportunity. If I ever had the chance I would declare a clear and definite policy, with no humbug about it, so that every one would know what I meant. The Ministry, no doubt, are acting in accordance with their lights; but the Treasurer, instead of telling us what their intentions are, says, when asked for any information, "Refer to the Budget papers," or he tells us that the Minister of Defence, or someone else, knows all about the subject. From end to end of his speech he gave us no definite information. The Treasurer pointed out that where the State gains through the operation of the Federal Tariff, the people of that State have to pay, and that where the State loses they save; but the immediate effect of the Tariff has been to a large extent to crush out of existence the manufacturers of States like Tasmania and Queensland to the gain of the manufacturers of New South Wales and Victoria, and especially of the latter. The people of the States, however, have not benefited, because the duties have increased prices, and the increase has gone into the pockets of the manufacturers. The Treasurer has indicated that the Government intend to get rid of the sugar bounties in about another five years, but he has not said when a measure will be brought in to provide for their extension.

He ought to have communicated to the House the method by which he proposed to deal with the sugar bounty; and whether he proposed to extend it for five years longer, or gradually to allow it to be extinguished.

Sir JOHN FORREST.—It is all on page 1219 of *Hansard*.

Mr. LONSDALE.—I am against the sugar bounty, and all other bounties. New South Wales has done better out of the sugar bounty than Queensland has done, simply because the money has been a pure gift to the sugar growers of the former State. There were very few coloured people engaged in the New South Wales industry. But, although my State obtained an advantage, if I had my way I would remove the bounty altogether. Our production of sugar will probably equal our consumption at the end of the year. When we reach that stage we shall begin to export. In the ordinary course of things, the effect of that should be to reduce our price to the level of that of the world's market. But because we have a large sugar monopoly in the Commonwealth, that cannot happen. The price will still be kept at a high level, and we shall still be paying money out of the Treasury to make our own sugar dear. I do not complain of dumping when people dump on us; but I do complain of dumping if we are to dump on other countries. I can quite understand honorable members opposite smiling at that remark, because they do not understand the question. To put our hands in our pockets and make our sugar £6 a ton dearer, in order to sell it at a cheaper rate outside, is, to my mind, a silly thing to do. That is the sort of dumping that I object to. The dumping that Mr Chamberlain, Mr. Balfour, and other men, who are playing a game in Great Britain, object to is the system whereby America and Germany send steel and other products into Great Britain and sell them at lower prices than they charge to their own people. I do not object to men dumping in that way. If people choose to increase the price of goods to themselves in order to make them cheaper to us, I am prepared to take all they will give me on those terms. But I object to make the price of our sugar dearer, and to handicap our industries for the purpose of making it cheap to outside buyers. Why does the sugar monopoly exist? Because of the duty. Those who protest most about monopolies are the very men who create them. Take off duties,

and let the competition of the world have free play, and these monopolies will gradually cease to exist. We have heard something about the increase in the price of sugar during the last year or two. Mr. Chamberlain was instrumental in bringing about that increase. Mr. Chamberlain induced the British Parliament to enter into an arrangement with various sugar-producing countries that the bounties which those countries gave should cease to exist. What was the effect? Formerly England obtained her sugar cheaper than any other country in the world, and that gave her the command of the market in many industries that depend upon sugar. But immediately the bounties ceased to be paid in other countries, the price of England's sugar went up. Mr. Chamberlain was foolish enough to bring about that state of things. Honorable members jeer at the idea of that policy being the cause of the increase, but, as a matter of fact, it is quite correct. When the sugar bounties were first originated amongst European nations, the effect was to give cheap sugar to England, whilst increasing the price in the countries which gave the bounties. When the price of sugar commenced to go down in England, employment decreased in the sugar refineries; and the Committee, which was appointed to inquire into the matter, reported against any interference with the bounties and against the imposition of any countervailing duty, on the ground that the lower price had been of great benefit to the poor and to consumers of sugar generally. The confectionery, fruit-preserving, and other industries, the main raw material of which is sugar, advanced enormously, but, though employment was increased in this connexion, it, as I say, fell off in the sugar refineries. When the price of the raw material of an industry is increased, great injury is done, and no corresponding benefit is conferred. Sugar was grown in New South Wales with a small duty, and in Queensland practically without duty, because in the case of the latter State, the export stage had been reached. Even then the price of sugar to manufacturers was not reduced; because the Colonial Sugar Refining Company did what it is likely to do in the future, namely, exported the sugar and sold abroad at the world's price, whilst charging the world's price, plus the duty within the borders of the State. The Treasurer has made it clear that we are losing the duty, and that

all the revenue from sugar is obtained in the way of excise, out of which the bonus has to be paid. To-day 185,000 tons of sugar costs the people of Australia £1,122,000 because of the duty. About £514,000 is received in excise, and about £93,000 from the duty, a total of £600,000 odd. There is a net return of £461,000, on an expenditure of £1,122,000, representing a loss of some £700,000 to the people at large. If the duty, the excise, and the bonus were abolished, some revenue would be lost, but the people would be £1,122,000 better off. It seems absurd that, in order to get £461,000, we should present to the private producer a sum equal to £700,000. We pay a bonus of £3 or £4 per acre on the production of some of the richest lands in the Commonwealth; and I ask why should the wheat-growers, who toil from one end of the year to the other, not be placed in a similar advantageous position? On what moral ground can we give the bonus in one case and not in the other? Of course, I know that the idea is to get rid of coloured labour; but, let the figures be manipulated as they may, the fact remains that the sugar grown by black labour is increasing as fast as that grown by white labour.

Mr. DAVID THOMSON.—Nothing of the sort.

Mr. LONSDALE.—Both classes of sugar have increased in production by about the same number of tons.

Mr. WILSON.—Why not speak of "alien" labour instead of "black" labour?

Mr. LONSDALE.—At any rate, it is all coloured labour. If it could be shown that the sugar produced by alien labour was decreasing, while that grown by white labour was increasing, there would be some indication that the policy was going to succeed. The honorable member for Maranoa, who has lived in Queensland for years, has said that he and others have been able to work in the climate.

Mr. WILSON.—On the tablelands, where there is a climate different from that of the sugar districts.

Mr. LONSDALE.—If white men can do the work, why should any bonus be paid for employing them? When sugar was produced in New South Wales with white labour, I thought it could similarly be produced in Queensland; but when I visited the latter State two or three years ago, I was able to see what the conditions really were. I may be told that I know

nothing whatever about the business, but I obtained permission to go through some plantations, and took steps to obtain the best information available. I went to the chairman of one of the sugar mills, and asked him to put me in the way of obtaining information with regard to his side of the question. I also called on Senator Givens, a recognised champion of a White Australia, and asked him to offer me similar facilities. Therefore, I acted with absolute fairness. Senator Givens furnished me with a typewritten document, setting forth his side of the case, and I proceeded to make inquiries. After I had completed my investigation I came to the conclusion that it was very difficult for white men to work in the cane-fields of Northern Queensland. The intense heat in the cane-fields is most distressing to the men working there, more so than when they are engaged out in the open in railway work or upon gold-fields.

Mr. DAVID THOMSON.—What was the temperature?

Mr. LONSDALE.—I do not know. I visited the cane-fields in May, which is not a hot month; but I obtained my information regarding the heat from those who had experienced it. I do not deny that some men can work in the cane-fields; but even to the best of men the work must be most exhausting. At the time I was there a contract had been let by the Mulgrave mills to a number of white men to load and unload wood. That would not be very hard work, even in a very hot climate, and yet the white men failed to carry out their contract, and black men had to be engaged to do the work. I went to Northern Queensland with an impression that the work in the cane-fields could, as in New South Wales, be carried on with white labour; but it was represented to me that the conditions were very different. One planter said to me—"Here we have a vertical sun for six weeks, whereas from Rockhampton southwards you always look to the north for the sun. In these regions the vertical sun beams down into the cane-fields, and makes it very oppressive for those who are working there." That, of course, is a matter of which I had not known anything previously.

Mr. DAVID THOMSON.—Or anybody else.

Mr. LONSDALE.—But it is true. The nearer one goes to the tropics the longer the period for which he has to stand the heat of a vertical sun. In Ceylon, for



instance, the sun shines vertically for a comparatively long period, and as one approaches the Equator that period is extended. With regard to the vexed question of trashing—

Mr. DAVID THOMSON.—Trashing is not necessary.

Mr. LONSDALE.—It has been stated that trashing is necessary, and the contrary assertion has been made. Strange as it may seem, both statements are true. In some districts trashing is not necessary, whereas in others it is essential. In the Burdekin district the planters say that they do not need to trash, because that operation injures rather than benefits the cane. It was explained to me, however, that the heavy rainfall in the Cairns district renders trashing necessary, because otherwise the moisture is retained by the trash, and injury is done to the cane. In the Burdekin district, where sugar-growing is carried on by means of irrigation, and the rainfall is comparatively light, trashing is not favoured. I found that the general opinion was that white men could not stand the work in the cane-fields. That opinion was shared by many persons who were in favour of a White Australia. I found that the view was strongly held that the sugar industry could not be successfully carried on in Northern Queensland by means of white labour. At about the time that the greatest amount of work has to be performed in the cane-fields, the pastoral and other industries are in full swing, and white men will not cut or trash cane if they can secure other employment. Therefore, there is no possible chance of obtaining the necessary number of men. Last session a planter came down to me, with a letter of introduction from a son I have in Townsville. He came to get my views as to whether the sugar bounties would be continued. I told him that if I had control of the matter they would not; but that it appeared to me that the Parliament would be willing to continue them. In the course of a conversation, I asked him if he believed that sugar could be grown with white labour in North Queensland. He said "yes." I then said, "Have you registered your plantation as one on which sugar is to be grown with white labour?" and he said he had.

Mr. JOSEPH COOK.—I call attention to the state of the Committee.

Mr. DEAKIN.—I ask the honorable member to withdraw the call.

Mr. JOSEPH COOK.—I withdraw it.

Mr. LONSDALE.—As I understand the Government are now willing that progress should be reported, I shall be prepared to conclude my speech to-morrow.

Progress reported.

## ADJOURNMENT.

Mr. DEAKIN (Ballarat—Minister of External Affairs).—I move—

That the House do now adjourn.

I asked just now that the call for a quorum should be withdrawn, not because I had any doubt that there was a quorum present, but because I felt that as we have to meet to-morrow morning at 10.30 a.m., and it is now almost a quarter past 11 o'clock, out of consideration for the honorable member for New England, who had indicated to me the probable length of his speech, I should be prepared to agree to adjourn at this hour.

Question resolved in the affirmative.

House adjourned at 11.14 p.m.

## House of Representatives.

*Friday, 1 September, 1905.*

Mr. SPEAKER took the chair at 10.30 a.m. and read prayers.

## PETITION.

Mr. R. EDWARDS presented a petition from the Master Bakers' Association of Queensland, protesting against the inclusion of the union label clauses in the Trade Marks Bill.

Petition received.

## ATTENDANCE OF MEMBERS.

Mr. DEAKIN (Ballarat—Minister of External Affairs).—It is stated in one of to-day's newspapers that progress was reported from Committee of Supply on the Budget last night because there was not a quorum in attendance, but, as I distinctly informed the House, when moving the adjournment, there was a quorum of Ministerial supporters, apart from the members of the Opposition.

## DECIMAL COINAGE.

Motion (by Mr. G. B. EDWARDS) agreed to—

That a copy of all correspondence between the Government and the Secretary of State for the Colonies, or any other persons, subsequent to

30th November last, on the subjects of the coinage of silver or the adoption of a decimal system of currency by the Commonwealth, be laid upon the table of the House.

### BUDGET.

*In Committee of Supply:* (Consideration resumed from 31st August; *vide* page 1821), on motion by Sir JOHN FORREST—

That the item, "President, £1,100," be agreed to.

Mr. LONSDALE (New England).—Before progress was reported last night, I was dealing with the assertion of representatives of the State of Queensland that white men can work in the cane-fields there as well as black men, and I stated that, if that be so, there is no need for the expenditure of public money to provide bounties for the encouragement of white labour. I added, however, that the experience which I had gained by a visit to Queensland some time ago, and in other ways, had led me to believe that climatic conditions there are entirely against the employment of white men, because of the exhausting heat caused by the vertical rays of the sun during many weeks of the season. My statement was challenged; but this heat is a physical fact which cannot be denied. With regard to the trashing of cane, it is said by some that it is necessary, and by others that it is not, but the truth seems to be that everything depends on the district. In the Burdekin district, for instance, it would injure the cane to trash it, but in districts where the rainfall is more copious, the cane must be trashed, or the moisture will reduce its sugar contents. Last session a planter from Queensland waited upon me here to know if the bounty would be extended. I told him that I was opposed to this extension, but that I thought it would be agreed to. I then asked him if white men could cultivate cane in Queensland, and he replied "Yes." I asked him if he had registered his plantation as one on which only white labour would be employed, and he again said "Yes"; but when I questioned him on his success he said, "I have succeeded with white labour up to the cutting of the cane, though I have had to get black labour to cut it." I asked this gentleman how it was that he had not continued to employ white labour and he replied that he could not get the men. I then suggested that that proved that white men could not perform the work, but he said that if the planters could get the right class of men, white labour would

meet the case. He then explained that he meant sober, steady, industrious men, who were not afraid of a day's work. I asked him whether he thought that men of that class would go into the cane-fields to cut cane, when other work, such as shearing, was available to them.

Mr. PAGE.—Where is the shearing in that part of Queensland? You might as well ask for a shearing job in Melbourne.

Mr. LONSDALE.—In parts of Queensland there is shearing to be done at about that time of the year. We know that shearers start from the Queensland stations and work their way right down through New South Wales, as far south as Victoria.

Mr. PAGE.—It would take shearers six months to travel from the sugar plantations to the shearing sheds.

The CHAIRMAN.—Order. It will be utterly impossible for the honorable member to continue his speech if continuous interruptions take place. I would ask the honorable member for New England not to address particular members or sections of the Committee, and not to so constantly turn his back upon the Chair.

Mr. LONSDALE.—I am not turning my back upon the Chair with any intention to be disrespectful, but I am endeavouring to make myself clear to honorable members, and I have been told even by the reporters that sometimes I cannot be properly heard.

Mr. KELLY.—On a point of order, do I understand that a speaker must necessarily face the Chair?

The CHAIRMAN.—Even the canons of ordinary courtesy require that a speaker should face the person whom he is addressing.

Mr. LONSDALE.—I do not wish to offend against the canons of courtesy, or the rules of debate, but my sole desire is that every honorable member may hear my remarks. As I was proceeding to say, at about the time that men are required for cane cutting, there is plenty of other work available in parts of Queensland.

Mr. PAGE.—To what time of the year does the honorable member refer?

Mr. LONSDALE.—To the summer time, when the cane is being cut. The other classes of work to which I refer absorb the better class of men, and it is really the worst class which drifts into the cane-fields. My informant admitted that that was a difficulty. I asked him if he

thought it was possible to obtain a sufficient number of men of the proper class to cut the cane, at that particular season of the year. He could not give me a satisfactory reply. I then asked him whether he knew anything about Hood's gang, and he stated that he knew them well, as they had been working in his district. These men were reported to have done their work well right through the season. They had earned a large amount of money, and had satisfied both the growers and the mill managers. The gentleman to whom I have referred said that they were the right class of men. They were the sons of farmers, strong, sturdy, temperate men, and were prepared to do a good day's work, and as a consequence did well. I asked this gentleman whether he could tell me how many of the men who started with the gang remained with it at the end of the season, and he replied that about one-third had stuck to the work. That seemed to me to afford absolute proof that white men could not successfully carry on the work in the cane-fields. Here were men, admitted to be of the right class, who were both willing and able to perform the work for a certain time, and yet two-thirds of them dropped out, because they were not able to continue it.

Mr. WILKINSON.—Did the honorable member's informant say that those men were not capable of continuing the work?

Mr. LONSDALE.—I am drawing my own conclusions. My informant did not say that two-thirds of the men fell out because they were not able to do the work; but I contend that, in view of the fact that they had been able to earn a large amount of money, they would have continued the work if they had not found it too much for them. I do not see how any stronger proof could be adduced of the fact that there is something which prevents this work from being carried on by white labour.

Mr. WILKINSON.—Has the honorable member any objection to give the name of his informant?

Mr. LONSDALE.—I do not remember the name, but I will wire to my son at Townsville, and obtain it, if required. The gentleman to whom I have referred was a sugar planter, and I think his name was Crawford. I have had interviews with sugar planters, who declared that they had been prepared to employ white labour exclusively. One employer said, "I started operations with the definite idea that I would not employ a

coloured man upon my plantation. The first week the men engaged were all white, the second they were of a piebald character, and the third they were all black." In other words, the first week the employes consisted wholly of white men, the second they comprised white and coloured men, and the third week they were all coloured. I met with innumerable instances of that kind. I do not make any charge against the white man. I say that the sugar industry is one in which he cannot work successfully. The very conditions of the country are against him. When we offer a bonus of £2 per ton to encourage the production of sugar by white labour, we are endeavouring to fight against natural conditions, and those conditions will always defeat us. I say that if we can assist to continue that industry in Queensland it will be a splendid thing. But this House has decided that the kanakas employed there shall be deported to their homes at the end of their engagements. From my stand-point, that was not a wise decision. I say at once that it would have been much better if we had resolved that no further kanakas should be recruited, but that those who were already in Queensland should be allowed to remain there and to die out. Even if white labour can be successfully employed in the cane-fields, we must allow time to effect a transition from black to white labour conditions. In order to carry out that change upon humane lines, the Government should not enforce the deportation conditions, and, if necessary, those conditions should be altered. We are accustomed to say that we are superior to the black race. But let us prove our superiority. Why, in all our actions, we are practically proclaiming to the world that we are not equal to the coloured races. In my district I have repeatedly declared that I am equal to any six black men. I make that statement deliberately, and I am prepared to meet them in open competition in any occupation in which the natural conditions are suited to white men like myself. I contend that we should exhibit our superiority. As we are strong, let us be merciful. Possessing the power that we do over these men, let us show our humanity to them by tempering justice with mercy. In the interests of Queensland, in the interests of a White Australia, and of our own race, it is a mistake to adopt the high-handed course which we have adopted in connexion with these unfortunate men, who, in many instances, were brought here in opposition to their own will.

Let us prove that we belong to a race which is possessed of some chivalry and honour, and let us treat these men—black though their skins may be—as they should be treated.

Mr. DAVID THOMSON.—Is not the honorable member aware that the kanakas themselves wish to return to their homes?

Mr. LONSDALE.—If that be so, I have no objection to their deportation to the islands from which they came.

Mr. PAGE.—They were recruited upon the understanding that at the end of their engagements they would be sent back to those islands.

Mr. LONSDALE.—Will the honorable member allow me to put my case in my own way? He declares that the kanakas were recruited upon the understanding that they should be returned to their homes at the end of their agreements. But I would point out that some of them may not desire to go back to their islands. I claim that if any of them wish to remain we should not insist upon their deportation; if, on the contrary, they desire to be returned to their homes their wish should be respected. Personally, I should not allow them to be recruited in the future. I do not believe in this semi-slavery business. Therefore, in the interests of the black races themselves, I should forbid recruiting. I have dealt somewhat fully with this question, because I regard it as a very important one, and I do not think that we should take any steps which would be calculated to injure the sugar industry. On the contrary, we should do what we can to encourage its growth. Honorable members are aware that as we proceed north black labour becomes more efficient than white labour, but as we come south the reverse is the case.

Mr. DAVID THOMSON.—In the north less wages are paid.

Mr. LONSDALE.—I think that the wages paid are about the same in all the cane-fields.

Mr. WILKINSON.—What would the honorable member do when the kanakas, who are at present in Queensland, have died out?

Mr. LONSDALE.—I say that by the time they had died out we should have been afforded an opportunity to accommodate ourselves to the new conditions.

Mr. WILKINSON.—But the natural conditions do not change.

Mr. LONSDALE.—When a certain number of men are adapted to the conditions which obtain in Queensland, it is far better to allow them to remain than to effect a sudden change of policy.

Mr. GROOM.—Would the honorable member continue the bonus during the period of transition?

Mr. LONSDALE.—I would not. I claim that sugar can be grown successfully without the aid of any bonus.

Mr. GROOM.—Would the honorable member protect the sugar industry?

Mr. LONSDALE.—If I had my way I would abolish the protective duty upon sugar. The moment we obtained command of our market and commenced to export, I would reduce the import duty. I would do that because otherwise a great advantage would be conferred upon the Colonial Sugar Refining Company. When I made that statement last night some honorable members laughed at me. They do not understand this question. I stated that I objected to paying a tax in order to make commodities dearer for myself and cheaper for the "other fellow." I will not be a party to taxing the whole of the people of the Commonwealth in order to make sugar dear to them and cheap to the man outside. That would be the action of an idiot. Once our production is sufficient to satisfy local consumption, and we are becoming exporters, we should begin to take off the duties. Coming to the question of the Braddon blot, I wish to say that I am against the extension of that provision. I fully realize that the States require to be protected as well as the Commonwealth, but the system under which we are now acting is such that the financial arrangements of the Commonwealth are very seriously trammelled. It seems to me that the Commonwealth is to-day little more than a great revenue-producing machine for the States. When the Commonwealth Constitution Bill was before the people, I—perhaps in my foolishness, as some will say—opposed it, and did all I could to induce the people of New South Wales to vote against its adoption. One of the strong points that I then made against it was that it contained the Braddon blot, which, I urged, would limit the power of the Commonwealth in every direction. That statement has been fully justified by our experience. I have often advocated that it would be better to have some such system as that for which provision is made in the Constitution of the Dominion

of Canada—a system under which the finances of the States would be protected to the extent of the revenue they are at present receiving, while the Commonwealth would be entirely free in respect of the disposition of the balance. If the States required any additional revenue, they would then have to raise it for themselves, instead of coming to the Commonwealth to obtain it. Under the provisions of the Braddon blot, we can do absolutely nothing towards extending the functions of the Commonwealth in matters involving expenditure, unless we impose direct taxation. I am a believer in a certain form of direct taxation, but hold that it should be imposed by the States themselves. We have the control of the Customs and Excise revenue, and all the revenue that we require should be secured by means, not of a protectionist, but of a revenue Tariff. The States should be allowed to secure their own revenue in their own way. Under the Constitution as it stands, if we attempt any extension of the functions of the Commonwealth requiring increased revenue, it is necessary for us to raise four times as much as we actually require for that purpose. By means of an income tax and a land tax, we should be able to at once raise what we required for ourselves, and there would be no necessity to return any proportion of the revenue so obtained to the several States. I do not think the Commonwealth should be restricted in its financial operations, as it is at the present time. It should be free, in this respect, to take any course it pleases, and should not be controlled in any way by the States. There are some honorable members who seem to imagine that we are here to represent the separate States. As a matter of fact, however, we are here to represent, not any one State in particular, but the Commonwealth as a whole, and we should not allow a consideration of State divisions to in any way control our decisions. It should be our desire to do that which is best calculated to promote the interests of the whole Commonwealth. I should prefer to see a fixed amount given to the States. That is the course adopted by the Dominion of Canada. Under its Constitution the Dominion took over, with the exception of a small amount, the debts of the provinces, subject to the condition that if the debts taken over from any one province exceeded the amount mentioned in the Constitution, that province should pay to the Dominion the interest on the difference. In addition to this, the Dominion

gave the provinces a fixed endowment, as well as an endowment of 80 cents. per head of the population, as fixed by the census of 1861. It was further provided that, so far as the smaller States, such as Prince Edward Island and New Brunswick, were concerned, they should also receive an endowment of 80 cents. per head of their population until that population reached 400,000, after which they would receive no further increase. Whatever may have been said by the eminent men who framed our Constitution as to the practicability or otherwise of applying this scheme to the Australian Federation, I am still under the impression that we could have arranged some such system, and that it would have obviated the difficulties that have arisen. In connexion with the consideration of the Braddon blot, the question of the taking over of the debts of the States naturally arises. I should favour the taking over of the whole of the debts, but if we cannot do that, we should take over from each a proportion, the interest on which would be met by the revenue returnable to that State. If that course were adopted, we should be entirely free from the States for all time, so far as our finances were concerned. A good deal has been said in reference to this question. I favour the suggestion which has been made by the honorable and learned member for Northern Melbourne that instead of taking over the railway revenues of the States, as advocated by the right honorable member for Balaclava, if the whole of the debts are taken over, the Constitution should be so altered as to provide that special Acts shall be passed by the States permanently appropriating the proportion of their revenue necessary to meet the interest payable on the debts taken over. These would be special appropriations, and with such a provision in the Constitution it would not be necessary for the States to vote the money every year. If the payment of interest were secured in that way, nothing further would be required. I hold that for the present at all events the Commonwealth should not interfere in any way with the railway systems of the States. The question of what control should be exercised over States borrowings is one of great difficulty upon which the States themselves are disposed to be very touchy. The honorable member for Kooyong advocates the establishment of a Board of Advice, consisting probably of the Treasurer of each State and

the Treasurer of the Commonwealth, which would deal with all loan proposals on the part of the Commonwealth or the States. We should seek to so guide the States that they will not borrow as largely as they have done; but if they desire to do so, we should not restrict their powers in this respect. There are certain matters in connexion with this subject that demand very close attention. It has been said that we should effect considerable saving by the conversion of the States debts; but many of the statements that have been made on this subject will not bear investigation. It would be impossible to bring about any large conversion except as the loans fell due. If it were known that we had a sinking fund, out of which we could buy up our stocks as they came into the market, the result would naturally be to keep up the price. We should not reap any benefit from such a system, unless in consequence of great financial depression the price of our stocks went down. We might then be able to enter the market and buy them up; but I feel that the knowledge that we should be purchasers in ordinary circumstances would keep them from going down. I have read a good deal by different gentlemen on the question of conversion. I do not profess to be a very great financial expert; but I have tried to familiarize myself with the question, and I am quite satisfied that there can be no extensive system of conversion and that the conversion from State to Commonwealth stock would have to be made as the loans fall due. Any saving of interest which might be effected by the conversion should go to the credit of the State whose stock was converted. It is said that Commonwealth stock would command a higher value than State stock. But that, I think, is imaginary; the belief has no foundation. The idea is, I know, indorsed by big names. My name is, I suppose, only a little one in the financial world, but I am satisfied that if these things are examined carefully, it will be realized that there are innumerable causes which affect the value of stock. One of these causes is the question as to whether the affairs of the State are being conducted economically by its Government. Then, when a depression comes about—we know not why, sometimes—it affects the price of stock. So that we must come to the conclusion that, whether he is dealing in Commonwealth or State stock, the investor is governed simply by

*Mr. Lonsdale.*

the way in which the affairs of the Commonwealth or State are being conducted, and by no other consideration. The Commonwealth could not give investors greater security for Federal stock than they have to-day for State stock. During the contest on the acceptance of the Constitution Bill, it was continually urged that the Commonwealth would make a great profit out of the conversion of the States' debts. I looked up the matter, and obtained some particulars which I shall quote, to show how little dependence is to be placed upon such statements. The figures relate to stocks of the same class, though there is a difference in the rate of interest, and the currency of the stock. In June, 1892, New South Wales  $3\frac{1}{2}$  per cents., with thirty-two years to run, stood at £96 19s., while Canadian three per cents., with forty-six years to run, stood at £93 17s. The fact that Canadian stock had fourteen years more to run than New South Wales stock gave it a higher value, and the fact that it paid one half per cent. interest less gave it a lower value, but still it stood at about £3 less than did the other. Victorian stock stood at about 16s. less than did New South Wales stock, although it bore the same rate of interest, and had the same currency. In 1893 the value of New South Wales stock had fallen from £96 to £92, while that of Canadian stock had risen from £93 to £94. At that time Canada was federated, but Australia was not. Why did the value of New South Wales stock fall by £4 in that year, and that of Canadian stock rise by £1? The reason was, because it was a year of depression in our State. Canada did not feel that depression as we did, and therefore its stock continued to rise in value. In 1894 the value of New South Wales stock had risen from £92 to £98. In the interval we were forced to have very economical government; no loans were floated, and because we kept off the loan market, the value of our stock rose. In the same year the value of Canadian stock rose by only £1, while the value of New South Wales stock was £3 higher. Although Canada was a federation, still the stock of New South Wales stood £3 higher than it did the year before, when it was £2 lower than the other. Will any one explain to me how Commonwealth stock could have a greater value in the market than State stock? The fact that New South Wales was forced off the money market, and was practising economies, sent up

the value of its stock. But when we come to 1898, what do we find? In that year the value of New South Wales stock had risen from £98 to £108. In a period of four years the value of our stock had risen by £10, but the value of Canadian stock had risen by only £6. So that our stock stood £7 higher than did that of Canada, although the latter country was much closer to the market. It must be remembered that during those years in New South Wales we had in power the right honorable member for East Sydney. Comments are made about his financial ability, but no man ever lifted that State higher than he did. He administered the revenue and loan funds so economically during those years that the value of our stock rose, I think, to the highest point it had ever reached. We cannot read these figures without realizing how it is that the administration of the affairs of a country, whether it be a State or a Commonwealth, raises or depresses the value of its stock. If the affairs of a Commonwealth or a State are administered recklessly, the value of its stock will fall. If, on the other hand, the affairs of a Commonwealth or a State are administered economically, the value of its stock will rise. The statement that the creation of Commonwealth stock would be an advantage to us is simply a matter of imagination, and not a matter of fact. How does the stock of New South Wales stand to-day? It stands higher to-day than it did two years ago.

Mr. MAUGER.—That is owing to Federation.

Mr. LONSDALE.—No; the honorable member does not know his book yet, and I have yet to learn that he knows very much. The value of New South Wales stock fell from £108 until it was less than the value of the stock of any State in the Commonwealth. Why did that occur? It was because those who believe in the policy advocated by the honorable member for Melbourne Ports got control of New South Wales. As they always have done, they recklessly administered public affairs. They borrowed money largely, and wasted it in every direction, with the result that the stock of the State fell from its high position at the top of the market down to the lowest position. When I mentioned that the value of New South Wales stock had risen again, the honorable member for Melbourne Ports thought he had scored a

point, but he would have had to rise earlier this morning than he did to do so. The value of New South Wales stock went down when the reckless protectionist party was in power. Now it has gone up again. Why? Because we belong to the Commonwealth? No. Simply because the administration of the Government is economical, because we are borrowing less, and because we are living within our means. The history of recent years establishes this fact—that it does not matter to the Stock Exchange whether we are living as a Commonwealth or as a State. What they want to know is how you are carrying on your affairs, whether you are administering your departments economically, whether you are reckless in the expenditure of your loan money, or whether it is being wisely spent. If the answers to these questions are satisfactory, your stock will be sought after; if the answers be otherwise, your stocks will not be desired. It all depends upon administration.

Mr. KING O'MALLEY.—They have faith in the Labour Party.

Mr. LONSDALE.—The honorable member for Darwin asserts that there has been an improvement because the Stock Exchange has faith in the Labour Party. I shall not say a word against the Labour Party. Its members act up to their lights. I give them credit for pure motives, but in my opinion they lack knowledge. The Labour Party was behind the reckless Ministry that lowered our credit in New South Wales. It supported wanton expenditure. Time after time we tried to prevent it, but these men stood as a solid body, fighting for the expenditure of money in all sorts of foolish directions—to give employment, as they called it. Instead of employment being provided, the result has been that, although we have had one or two splendid seasons, we have had great distress. I do not charge the Labour Party with trying to bring that about. But while their motives may be pure, they lack knowledge, and until they set themselves to understand such affairs all their legislation, whether Commonwealth or State, will be to the injury of the people. I have now put before the Committee my views about various things affecting the welfare of this country. If Australia is to rise to any eminence amongst the nations of the world, it must be by the development of the individual courage, energy, and push of our manhood. The policy

which the Commonwealth has entered upon is calculated to have exactly the reverse effect. We are seeking to improve the position of men by legislation—to make them happier and more prosperous by Act of Parliament. In no State has that policy been carried to such an extent as has been the case in Victoria. Here in every direction legislators have been seeking to coddle their people. The British race has grown to its present noble position, not through coddling by Parliaments, but by the inherent power and strength of individual men. If we are to rise as a nation by no other means can we do so. We must not take all the self-reliance out of our people, or we shall fail. Demands are made in every direction not to throw our people on to their own resources, so that they may be developed by their own strength, but to coddle them, to keep them swathed in bandages and flannels, and to shield them from the competition of the world. By this policy we are simply weakening the fibre of the race. We stand to-day a race of weaklings. Yet we presume to look down upon the coloured people with contempt. We affect to despise that little brown race which has just come victorious out of its great fight with what was thought to be the Colossus of the world. Let us compare ourselves with them—with their resource, their industry, their self-reliance and their strength. If we look at the matter in a right light, instead of our having any reason to elevate ourselves in our own opinion, and to think that we are superior to them, the little brown men, as it appears to me, stand superior to us; and until we develop in the same way as they have done, standing out as men prepared to fight our battles with any race—

Mr. MAUGER.—At 2d. a day.

Mr. LONSDALE.—There need be no 2d. a day about it. The people of Victoria have had protection for thirty or forty years. Yet Victoria to-day is the one State that is bending its knees and crying out for greater help and more coddling. No other State in the union howls as Victoria does for assistance from the Government. After so many years of protection, if there is any wisdom in the system, Victoria ought to stand in the forefront. But she stands behind to-day in everything that makes for true liberalism, and which conduces towards the development of a higher and nobler nature.

Mr. McLEAN (Gippsland).—I regret that the Prime Minister has not seen his

way to comply with the request which I made to him yesterday, and to which I understood that he had agreed that he would this morning move by leave that I be relieved from serving any longer on the Standing Orders Committee. Instead of that, the honorable gentleman gave an indefinite notice of motion, which will go out to the public without even a day being fixed for its consideration, and without any explanation of the reasons for it. Under the circumstances I feel constrained, in justice to myself, to make a short explanation of the reasons that induced me to ask the Prime Minister to move for leave to relieve me from serving any longer on the committee. When I went into the committee room yesterday morning, a notice of motion for a new standing order was placed in my hands in the following terms:—

If the Speaker considers at any time that his attention is being called unnecessarily to the absence of a quorum, and he is satisfied that there is a quorum within the precincts of the House, he may decline to count the House.

That means that, if the Speaker's attention is called to the absence of a quorum at any time when, probably, there may not be ten members present — as was the case a few minutes ago — and he is satisfied there are enough honorable members in the billiard-room or the refreshment-room to make a quorum, he need not count the House. Having regard to the gravity and importance of this standing order, and seeing that it was sprung on us without any notice whatever, in the absence of three prominent members of the Standing Orders Committee, the proceeding seemed to me, rightly or wrongly, so unfair that the only course that occurred to me by which I could express my emphatic protest, was to ask the Prime Minister that I might be relieved from serving any longer on the Committee.

Mr. SYDNEY SMITH.—Hear, hear; that was the only honorable course to take.

Mr. McLEAN.—For obvious reasons, I do not think I need make any further comment; but I deemed it necessary to make a short explanation.

Mr. DEAKIN.—The honorable member did not suggest that there should be a postponement or point to the absence of members of the Committee, or take any of these points at the meeting of the Standing Orders Committee.

Mr. McLEAN.—The motion was introduced so suddenly, that, until it had been



put and carried with the assistance of the Prime Minister, I could not conceive that such a proposal would have been adopted. I could not imagine that it would be declared by responsible members of this House, that the business of the country was sufficiently attended to by honorable members being in the billiard-room or the refreshment-room. I was taken entirely by surprise, because I really did not think it possible such a motion would be carried. However, I have said enough at the present time, but I wish the Prime Minister had given me the opportunity which yesterday I understood him to promise.

Mr. DEAKIN.—I asked the honorable member to take twenty-four hours to reconsider certain arguments I submitted, and I understood, although he said he would not change his mind, that he agreed to that course.

Mr. McLEAN.—I understood the Prime Minister to say that if he did not hear from me by this morning, he would comply with my request.

Mr. DEAKIN.—I did so; I gave notice.

Mr. JOSEPH COOK.—In a whisper!

Mr. McLEAN.—I should now like to deal with the financial statement. I do not intend to go into details of the Budget; in fact, I had not intended to speak at all, and it was only yesterday evening that I thought I had, perhaps, better say a few words since my silence might be misconstrued. I might add that in speaking to-day I am acting against the express orders of my doctor, who has told me not to take any part for the present in parliamentary business. Like most honorable members who have preceded me, I listened to the financial statement of the Treasurer with feelings of profound disappointment. I had thought that the right honorable gentleman would, at any rate, afford some indication of an intention on the part of the Government to deal with the large and important financial problems that confront this Parliament. In my opinion, there is no more important question than that of the States debts, and I did think that the Treasurer would have announced the intention of the Government to deal with that matter in a practical way.

Sir JOHN FORREST.—Why did the Government, of which the honorable member was a member, not deal with the matter in the Budget statement last year?

Mr. McLEAN.—The Government of which I was a member advanced the matter very considerably at the Conference which was held with the Premiers of the various States at Hobart; but the present Treasurer has not announced any intention on the part of his Government to take advantage of what was then done; on the contrary, the right honorable gentleman treats the question in a most perfunctory manner, as if it were not of the slightest importance. I should have thought that a Government with which the Prime Minister was in any way connected, and much more so a Government of which he is the head, would make some attempt to carry out a part of the extravagant promises that were made by himself and many others, when urging the people of Australia to consent to the Federal union. There was no point on which greater stress was laid, and I am certain there was nothing that weighed with the people of Australia more, than the promise of the large annual saving in interest, which it was thought would be brought about owing to the credit of the Commonwealth standing much higher than the credit of the individual States. At that time I certainly did not take the view presented by the present Prime Minister. I felt that any assets that would contribute to the credit of the Commonwealth would have to be extracted from the States; that there would be no new asset. I admit that at the present time the credit of the Commonwealth should stand very much higher than that of any individual State, for the obvious reason that the revenues of the States have been largely diminished and impoverished, owing to the fact that the whole of the Customs and Excise revenue has been handed over to the Commonwealth. The States have nothing but direct taxation on which to depend, and it is reasonable to assume that their credit must stand much lower than that of the Commonwealth at the present time, provided, of course, that the affairs of the Commonwealth are managed in a proper, business-like manner. Yet no serious attempt whatever is being made, or, at any rate, no attempt is foreshadowed by the Treasurer in his Budget statement—and that was the proper time—of any intention on the part of the Government to deal with this all-important matter in a practical business-like way. While we have no announcement from the Treasurer of any constructive financial policy, there is very clear

indication of a destructive policy. Financial authorities agree, I think, that the weakest point in the Commonwealth Constitution is found in the defective provisions made in regard to finance—in the extraordinary, and, in my opinion, unfair allocation of assets and liabilities, as between the Commonwealth and the States. The Commonwealth is endowed with the whole of the Customs and Excise revenue, and also with unlimited powers of direct taxation, with no responsibility whatever in regard to liabilities or interest charges. On the other hand, the States, whose only recourse is such direct taxation as the people can bear in addition to any direct taxation which the Commonwealth may impose, are left with the responsibility of providing for the redemption of loans and the annual interest charges. It is true that the Convention did make temporary provision by means of the Braddon section to provide for the return to the States of three-fourths of the Customs revenue, the expenditure of the Commonwealth being limited to one-fourth. I have no doubt whatever that the members of the Convention, when doing so, thought that a business arrangement would be entered into between the Commonwealth and the States for the taking over of the States debts before the period fixed for the operation of the Braddon section had expired.

Sir JOHN FORREST.—No doubt that is so.

Mr. McLEAN.—But my right honorable friend will see that he is making no move whatever towards taking over the States debts.

Sir JOHN FORREST.—What time had I to make any move, when I had to deal with the matter in a few weeks?

Mr. McLEAN.—But the right honorable gentleman has clearly expressed his opinion that there is no necessity to renew the operation of the Braddon section.

Sir JOHN FORREST.—I did not say that.

Mr. McLEAN.—I refer the right honorable gentleman to the *Hansard* report of his Budget speech.

Sir JOHN FORREST.—I said that I did not see that much good would result to the States.

Mr. McLEAN.—That means, if it means anything, that the funds at the command of the Commonwealth Treasurer will be quadrupled without any provision whatever being made in regard to States debts or interest charges.

Sir JOHN FORREST.—I suggested the return of a fixed sum to the States.

Mr. McLEAN.—I venture to say that that fixed sum, being that which my right honorable friend could not find any use for, would be very small.

Sir JOHN FORREST.—That is grossly unfair.

Mr. McLEAN.—With our honorable friends in the Labour corner driving the right honorable gentleman, we know perfectly well that that fixed sum would be infinitesimal.

Sir JOHN FORREST.—I did not intend it to be so.

Mr. McLEAN.—This is a very serious matter, and I refer to it, not by way of reproaching my right honorable friend, but in the hope that the Government will give some serious and business-like consideration to the subject.

Sir JOHN FORREST.—The States will never suffer at my hands.

Mr. McLEAN.—Another very important matter is involved in the proposals in regard to the sugar bounties. As a protectionist I have been in favour of the payment of these bounties. I am always in favour of the State providing a reasonable sum to encourage any new industry, in order to tide it over its initial difficulties, provided that I am satisfied that when that has been done the industry will become self-supporting and valuable to the country. In this particular case, the bounties were not given for this purpose, but in order to compensate cane-growers for the loss of kanaka labour. That seemed to be a legitimate policy to adopt, and I supported it. I quite agree that something further should be done in that direction, but I do not think that the burden should be a perpetual one on the taxpayers. I do not think it should continue for all time, and certainly the Government proposal is the first step towards making it perpetual. When the Government renew these bounties for five years, without any reduction whatever in the amount, we know perfectly well that the next Government, in the face of the clamour of those interested, and the pressure that will be brought to bear on them, will do the same, and so the bounties will go on for all time.

Mr. GROOM.—Will the honorable gentleman tell us what was the policy of the late Government in respect to this matter?

Mr. McLEAN.—I will tell the honorable gentleman what my views were. I

had not announced them to the late Government, and I did not intend to do so until just on the eve of the opening of Parliament. The only member of the late Government to whom I mentioned the proposals I intended to make was the late Treasurer, the right honorable member for Balacava. I intended to ask my colleagues to agree to the renewal of the bounties at the present rate for two years, in order that reasonable notice of a reduction might be given, and that at the end of the two years the bounties should be reduced by  $12\frac{1}{2}$  per cent. each year, so that at the end of another eight years they would have entirely disappeared. That is to say, that ten years from the commencement of the new arrangement these bounties would have disappeared automatically.

Mr. GROOM.—Would the protective duty have remained?

Mr. McLEAN.—I certainly intended to propose a renewal of the Excise duty at the present rate.

Mr. GROOM.—That is to say, the honorable gentleman proposed to reduce the protection on sugar to £3 per ton?

Mr. McLEAN.—At the end of ten years, yes; and that in my opinion is a very reasonable protection.

Mr. McWILLIAMS.—It would be about 25 per cent.

Mr. McLEAN.—In my opinion it would be a reasonable percentage of protection, and I think the time allowed for the reduction of the bounty would have been ample. I made very close inquiries, went carefully into the matter, and secured all the information I possibly could, and it appeared to me that the proposal I was going to submit to my colleagues was fair, if not generous, to the cane-growers, whilst it afforded a guarantee to the taxpayers of the Commonwealth that there would be an end to the payment of these bounties.

Mr. GROOM.—Did the honorable gentleman propose to reduce the beet-sugar duty? How did he propose to deal with that?

Mr. McLEAN.—In precisely the same way as with the cane-sugar duties.

Mr. GROOM.—I mean as regards the protective duty?

Mr. McLEAN.—The protective duty on beet sugar at the present time is prohibitive, as we know.

Mr. GROOM.—How did the honorable gentleman propose to deal with that?

Mr. McLEAN.—I would not care a rush whether that remained at £10 or at £6 per ton. I do not see that it would make any material difference.

Mr. GROOM.—It would as regards importations.

Mr. McLEAN.—I never did see that there was any substantial reason for making such a marked difference between the duties imposed on importations of beet and cane-sugar.

Mr. GROOM.—The production of beet-sugar elsewhere is subsidized.

Mr. McLEAN.—Honorable members may take my assurance that if the Government carry out their proposal to renew the sugar bounties for another five years without any reduction, that will be the first step towards making them permanent. If the payment of these bounties is to be made permanent the people of the Commonwealth should know it, and unless the Government take some steps in the direction I have indicated, that is, diminishing the bounties by a sliding scale they will remain permanent. If they think that the payment of the bounties for another five years is sufficient, I would advise that they should deal with the matter in another way. They might reduce the amount by 10 per cent. each year from the present time, which would be equivalent to a total payment for five years at the present rate. My proposal would be equivalent to a six years payment at the present rate; but it would take ten years under my proposal to extinguish the payment of all bounties.

Sir JOHN FORREST.—Is it the bounty, the excise, or the duty the honorable gentleman proposes to reduce?

Mr. McLEAN.—The bounty paid to growers of sugar-cane by white labour.

Mr. HUTCHISON.—What about the excise?

Mr. McLEAN.—I propose to renew that at the present rate of £3 per ton.

Mr. GROOM.—Would the honorable gentleman make that perpetual?

Mr. McLEAN.—Yes, as a legitimate source of revenue, so long, of course, as the customs duty remains in operation. If the customs duty should become inoperative it would not do to continue the excise duty, and it might become inoperative by the production in the Commonwealth of all the sugar we require for ourselves. In connexion with this matter, I might tell the Treasurer that, so far as I was enabled to investigate the subject, and I went into

it very closely, I am of opinion that the cane-growers, although the bounty is paid directly to them, do not get the full benefit of it. Because the price that is paid to them by the Colonial Sugar Refining Company is, in my opinion, very much lower than it should be, having regard to the fact that the company has free access to all the Australian markets, and is protected against importations from abroad. Apparently much of the bounty that should go to the growers goes to the company. But, turning away from that subject, I am very pleased to be able to congratulate my right honorable friend on the cheerful and optimistic tone of his speech. That he should adopt that tone was not unexpected by me, because when in office he is always optimistic. But what a different story he had to tell when the Watson Government were in power last session, and he was sitting on this side of the Chamber!

Sir JOHN FORREST.—What did I say?

Mr. JOSEPH COOK.—The right honorable gentleman said that he was clutched by an octopus.

Mr. McLEAN.—The right honorable gentleman used then to deplore the unconstitutional position into which Federal politics had drifted. He told us that it was highly unconstitutional for the honorable member for Bland to occupy the Treasury benches, with the support of a party of only twenty-eight, and to depend for the retention of office on the votes of other sections of the House. Indeed, if I remember aright, he went so far as to say that the honorable member for Bland must have misled the Governor-General, and that he should return his commission.

Sir JOHN FORREST.—That was the expression of my opinion upon a constitutional point.

Mr. McLEAN.—Yes; but my right honorable friend is now in a Cabinet which has the support of a party of, not twenty-eight, but eighteen, which depends for the retention of office on the votes of the very men whom he then denounced. The right honorable gentleman, in preparing his Budget, seems to have devoted far more pains to finding arguments in support of the present position, and to disarm in advance criticism of measures which the Government may feel constrained, under pressure of the corner party, hereafter to submit, than to making a clear statement as to our finances. If he had confined his denunciation of the detractors

of the Commonwealth to those who misrepresent the acts of its public men, I would have been entirely with him. But he went rather further than that, and denounced those who criticised sections of Acts with which they did not agree. That was the first time in my experience of parliamentary government, in which I heard people directed not to criticise the acts of public men, for fear of injuring the Commonwealth.

Sir JOHN FORREST.—I said that those who do not like the provisions of certain Acts should try to repeal them.

Mr. McLEAN.—If my right honorable friend will take his mind back a few weeks, or a few months, he will remember that he used to criticise some of the provisions in our Acts pretty freely. When I was in office he sent me voluminous extracts from Western Australian newspapers, containing reports of his speeches. Very good speeches they were, because in them he expressed his honest convictions, and did not mince matters in the terms which he employed, so that they were very unlike his Financial Statement. So voluminous were they, however, that I am not sure that I had not occasionally to pay something for deficient postage. But after the honorable and learned member for Ballarat had made his pilgrimage to Western Australia, and had had that historic interview with my right honorable friend, these speeches in denunciation of Socialism suddenly stopped, and I had no more deficient postage to pay. Honorable members will recollect a character in one of Dickens' books, no less a personage than the public hangman, who was in the habit of visiting the cells of condemned criminals on the night before their execution, to harangue them through the bars as to how they should comport themselves on the following morning. He used to tell them that they should put on a cheerful expression, that they should walk to the scaffold with an elastic buoyant step, that they should look at the crowd, and that if they felt equal to making a pleasant speech, it would greatly add to the enjoyment of the occasion. "But," he added, "if you cannot make a speech, or look cheerful, at any rate put on a dignified air, and, for Heaven's sake, don't snivel, because snivelling spoils the effect of the whole thing." So my right honorable friend told us, in substance, that whatever we might think of the socialistic measures which were

being forced upon this Government, we were to be cheerful, and above all, not to snivel.

*[Sitting suspended in consequence of the indisposition of Mr. McLean.]*

Mr. JOSEPH COOK (Parramatta).—I am sure that I voice the feelings of the Committee in expressing the deepest possible pain at the cutting short of the brilliant speech which was in process of delivery by the honorable member for Gippsland. I hope that after a little rest he may be able to resume, and in the meantime I desire at the earliest moment to refer to a matter of the greatest importance to this House and the country—a matter arising out of an explanation made by the honorable member for Gippsland, concerning the reasons which prompted him to take the grave step of resigning his position upon the Standing Orders Committee.

Mr. MAUGER.—I rise to a point of order. The matter to which the honorable member is referring already forms the subject of a notice of motion, and I wish to know whether it is in order to anticipate discussion upon that motion.

Mr. SYDNEY SMITH.—I submit that the point of order raised by the honorable member for Melbourne Ports cannot be upheld. I would point out that the deputy leader of the Opposition was not proceeding to discuss the motion of which notice has been given by the Prime Minister. He merely made incidental reference to the fact that owing to the action of the Standing Orders Committee the honorable member for Gippsland had resigned his seat upon that body. The honorable member for Parramatta was discussing the proceedings which led up to the action taken by the honorable member for Gippsland, and I contend, therefore, that his remarks were perfectly in order.

The CHAIRMAN.—I think the Committee are quite aware that it is out of order to anticipate discussion upon any matter which has to be dealt with upon a future day. I understand that the resignation of the honorable member for Gippsland from the Standing Orders Committee will be debated upon a future occasion, and under those circumstances, the resignation itself cannot now be discussed. Concerning the explanation made by the honorable member for Gippsland, I would point out that personal explanations cannot be the subject of debate. That is specially provided for in

our Standing Orders. I would ask the honorable member for Parramatta to recollect these two points, and as far as possible to confine his remarks to the scope permitted by the Standing Orders.

Mr. JOSEPH COOK.—This is a rather sudden development. It is very sudden indeed, and is apparently so perfect as to suggest long cogitation and careful preparation. I do not propose to contest the matter further, but I shall place myself in order by moving—

That the Chairman do now leave the chair.

I take this course in order that I may refer to a most extraordinary matter—a matter of such grave importance as to involve the resignation from the Standing Orders Committee of one of the most reputable members of this House, one who has always shown himself to be a keen student of proper parliamentary procedure, and, above all other things, a watchful guardian of the rights of the people of this country. I say that when that honorable member feels himself under the grave compulsion of resigning from a Committee of such an important and honorable nature—

Mr. McDONALD.—I rise to a point of order. I wish to know whether the honorable member is in order in discussing a question which appears upon the notice-paper for discussion on a future day?

Mr. WILKS.—The deputy leader of the Opposition has moved that “the Chairman do now leave the chair.”

The CHAIRMAN.—In answer to the interjection of the honorable member for Dalley, I would point out that we have not suspended the Standing Orders. I have already ruled that the honorable member for Parramatta will not be in order in discussing the question referred to.

Mr. McCAY.—I wish to ask a question in connexion with the point of order that has been raised. I desire to know whether your ruling is that, upon the motion “That the Chairman do now leave the chair,” an honorable member is not in order in giving his reasons why you should leave the chair, irrespective of whether or not those reasons refer to the business before the House.

The CHAIRMAN.—My ruling is that the Standing Orders are not suspended merely by the moving of a motion, “That the Chairman do now leave the chair.” That being so, notwithstanding that such a

motion has been submitted, honorable members must observe the ordinary rules of debate.

Mr. JOSEPH COOK.—I wish to refer to a proposed standing order which was read by a previous speaker, and on which he was allowed to make a statement to the Committee. The matter has been freely criticised outside the Chamber, and I submit that I shall be perfectly in order in debating a question that is being discussed at every street corner, and is one of great public urgency. It is a well-known parliamentary procedure to move that the Chairman do leave the chair, in order to secure an opportunity to refer to an extraordinary matter in an extraordinary way.

Mr. CONROY.—I suppose we shall have next to proceed to personal violence.

The CHAIRMAN.—I ask honorable members to preserve order.

Mr. CONROY.—Honorable members will do exactly what they think is right.

Mr. JOSEPH COOK. — I take the ground that the Ministry are directly responsible for the proceeding to which I refer, and which has led to the resignation of the honorable member for Gippsland as a member of the Standing Orders Committee. We are asked to grant supply, but I, for one, decline to do so until I have ventilated a matter which, I think, profoundly affects future parliamentary control in the Commonwealth. If your ruling, Mr. Chairman, is that I cannot do that, it seems to me that we have arrived at a very serious state of affairs. One of my complaints is that the decision of the Standing Orders Committee has been effected by the Ministry.

Mr. DEAKIN.—The Ministry had nothing to do with it. I do not believe that a colleague of mine, even if he knew that the Standing Orders Committee was to meet yesterday, was aware that the matter was to be considered.

Mr. McCAY.—Nor did the Standing Orders Committee.

Mr. JOSEPH COOK.—In view of the statement made by the Prime Minister, I should like to ask him whether the announcement made in the newspapers this morning is correct.

Mr. DEAKIN.—I am not responsible for a newspaper statement.

Mr. JOSEPH COOK.—We are told in the newspapers that the Prime Minister and Mr. Speaker supported the proposed standing order.

The CHAIRMAN.—I desire to draw the attention of the honorable member to standing order No. 344. That standing order relates to Select Committees—which includes standing committees—and is as follows:—

The evidence taken by any Select Committee of the House, and documents presented to such Committee, which have not been reported to the House, shall not be disclosed or published by any member of such Committee, or by any other person.

Does the honorable member consider that the Committee would be in order in doing that which would not be permissible on the part of a person outside? In other words, should we not honour, within the precincts of the House, a standing order which we believe to have been disregarded by others.

Mr. JOSEPH COOK.—That is part of my complaint. I am calling attention to a violation of the Standing Orders.

The CHAIRMAN.—I think that the honorable member has missed his opportunity to do that. A violation of the Standing Orders of the House can scarcely be brought under notice in Committee.

Mr. JOSEPH COOK.—Then I shall leave that point. I desire to call attention to the insidious way in which our parliamentary proceedings are being undermined by the present Government. We have reason to believe that certain proceedings have lately taken place in a committee appointed by the House, which were of such a character as to involve the resignation of one of the most respected members of that committee. Such a course could have been adopted by the honorable member for no light reason. If we may believe, not merely reports, but definite and decisive statements by leaders in the House, and particularly on the part of the honorable member for Bland, who the other night heartily denounced the proceedings of the Parliament as processes of obstruction—

Mr. WATSON.—The proceedings, not of the Parliament, but of the Opposition.

Mr. JOSEPH COOK.—The honorable member denounced our proceedings as being wilful obstruction and "stone-walling."

Mr. WATSON.—The proceedings of the Opposition.

Mr. JOSEPH COOK.—I hope that the honorable member will not interrupt me. He ran away with the House the other night, but I shall take good care that he does not do the same thing to-day. We listened to the honorable member the other

night making charges that lies were being buried about the Chamber.

Mr. WATSON.—That is just about as correct as some other statements that have been made by the honorable member.

Mr. JOSEPH COOK.—The honorable member charged an honorable member with having repeated lies in the Chamber. I shall take good care that he does not run off with the House to-day, as he did the other evening.

Mr. WATSON.—I simply had a chance to reply to the honorable member; that was all.

Mr. JOSEPH COOK.—And I shall have a chance to reply to the honorable member for Bland.

Mr. WATSON.—Certainly.

Mr. JOSEPH COOK.—I shall not accuse the honorable member of hurling lies around the Chamber—an accusation which he made against an honorable member on the evening to which I refer.

Mr. WATSON.—I did not.

Mr. JOSEPH COOK.—The honorable member more than once characterized statements from this side of the Committee as a repetition of lies.

Mr. WATSON.—I said that they were on a par with the lies against the Commonwealth that were circulated by the “stinking fish party.”

Mr. JOSEPH COOK.—The honorable member went on to describe as obstruction and a deliberate stoppage of business, a series of addresses that had been delivered on matters of supreme moment to the Commonwealth. It was a matter of very keen regret to me to hear Mr. Speaker rule that such expressions were in order. We know now, however, what expressions are permissible. I should not mind what occurs in the House if it were not that apparently other insidious processes are at work, which not only stifle parliamentary procedure, but have a tendency to bring our whole system of parliamentary government into contempt. I am one of those who believe that, with all its drawbacks and defects, there has not yet been evolved anything to take its place in a way which would be at all adequate to the free expression of the thoughts of a free people. And believing as I do, that it is the best form of government yet evolved, I intend to protest on every occasion when I see insidious influences at work tending to undermine it, and bring it into contempt. We are told in the newspapers

to-day that it is in contemplation to take action to curtail the undoubted liberties of this House. We are told, for instance, that the honorable member for Kennedy has it in contemplation, and has already taken decisive action elsewhere, to bring about this condition of things.

Mr. WATSON.—I hope so.

Mr. JOSEPH COOK.—It is a pity that the honorable member for Bland has only awakened so lately to the importance of getting on with public business.

Mr. WATSON.—I have always held that the majority should rule.

Mr. JOSEPH COOK.—During last session the honorable member sat here night after night aiding and abetting a series of obstructive and stone-walling tactics, which certainly have had no parallel in the Federal Parliament.

Mr. WATSON.—That is a ridiculous statement.

Mr. JOSEPH COOK.—We had one honorable member after another talking for four or five hours at a stretch. By-the-bye, sir, I think it is well for the Prime Minister to leave the Chamber. He seems to have no control over the House, to have surrendered it entirely to his ally, the honorable member for Bland. I have never seen anything more appallingly degrading than the way in which he surrendered his functions as leader of the House the other night, and completely gave the control of it into the charge of the honorable member for Bland. We had the latter gasconading over the floor, lecturing the House, and saying what ought to be done, with the Prime Minister sitting here, I was going to say, like a boiled owl, afraid to speak.

Mr. WATSON.—After the honorable member had been lecturing the House for twenty minutes. He should be the last to talk about lecturing.

Mr. JOSEPH COOK.—Nothing could have been more degrading than that spectacle the other night when the Prime Minister completely abdicated his functions as leader of the House, and entirely gave over the control of business to the honorable member for Bland.

Mr. WATSON.—That consisted in making a few remarks in reply to the honorable member.

Mr. JOSEPH COOK.—It may be it was right that the Prime Minister should do so, seeing that the honorable member for Bland is in charge of more members in the House than is the former. All this

kind of thing comes from the degrading spectacle which we are witnessing, day by day of having in office a Government without power to control, and therefore without real executive authority, only serving by their actions day by day to bring the proceedings of the House into further contempt. Yet we are told that the remedy for this state of things is that the Government should lead and control the House. The persons who are constantly giving the Prime Minister wholesale advice from outside ought to provide him with the ways and means. They ought to tell him how it is possible for a Government with twenty followers to control a House numbering seventy-five members. That is the primary problem which the purveyors of advice from outside ought to solve for the Prime Minister, and then he might be able to do what they wish him to do—to control the House as the leader of a strong majority ought to do. But, in the meantime, matters in the House must go from bad to worse, and our institutions must be degraded more and more in the eyes of right-thinking people outside. We are told that we are to have our privileges further curtailed, and that this is to be done on the initiation of the honorable member for Kennedy. He above all others is laying down the dictum that the chief concern of honorable members should be about the billiard-room and the chess-table—that honorable members may be anywhere than where they ought to be—in this deliberative Chamber—attending to the serious business of the country. That is a strange doctrine of political ethics to be laid down by a labour member. The honorable member for Kennedy, above all others, is telling the country that all a member of Parliament need to do is to come here, get his name put down, and then scoot for the billiard-room or enjoy himself in luxurious ease; that Parliament, under our democratic conditions, and with all power and authority exercised within its walls by the Labour Party, may be a mere social club where the business of the country may be transacted quite incidentally.

Mr. WATSON.—The honorable member would not surely call this a social club. It is just the opposite.

Mr. JOSEPH COOK. It may be unsocial, but I am now speaking of the ideal of the honorable member for Kennedy. He is proposing a reform. He is pro-

posing to turn Parliament into a social club, where amusement may predominate, and the serious business of the country should be done in the intervals. That is his proposal, I understand from the newspapers to-day.

Mr. McDONALD.—I shall accept all the criticism quite cheerfully.

Mr. JOSEPH COOK.—I am sure it will be delightful reading for the strenuous individuals outside who support the honorable member, and who every day have before them an ideal which we may admire even if we do not agree with its details, by reason of its purity and genuineness. But their ideal is not that Parliament should be turned into a mere club for the convenience of those whom they send here, instead of being a Chamber where honest, serious business is done.

Mr. WATSON.—Hear, hear! Is honest, serious business being done now?

Mr. JOSEPH COOK.—There can be nothing more serious than an attempt to preserve the liberties of the people, and not to curtail them. That is the first business which we owe to ourselves and to the country.

Sir WILLIAM LYNE.—Will not the best time to do that be when the matter comes before the House? No discussion can have any effect until a proposal is made.

Mr. JOSEPH COOK.—Has my old Rip Van Winkle friend just woke up? He has been engaged for a long time in evolving that observation. I think he had better take Carlyle's advice and go to bed for three days, and think, if that is all he has to say on a matter of this great importance. Parliament is not an idle pastime. Are we to lay down the doctrine that it is?

Mr. DEAKIN.—It is being kept idle.

Mr. JOSEPH COOK.—If it is being kept idle, the fault must lie with the Prime Minister. He has no power to govern it—no mandate from the people to govern it—no constitutional power of any kind. Having no mandate, he has no power, and cannot have any. Therefore, he can exercise no effective control over Parliament. If Parliament is idle, let us dissolve.

Mr. DEAKIN.—The fault lies with the honorable member.

Mr. JOSEPH COOK.—Then let us dissolve. I say that the Prime Minister should not, to cover up his own ineptitude and weakness—arising, not from any personal deficiencies, but from sheer lack of



support—try to bring parliamentary institutions into contempt. Parliament is not to blame.

Mr. DEAKIN.—No; the honorable member is.

Mr. JOSEPH COOK.—Only the people can effectively redress these matters, and the sooner we refer to their arbitrament the better. In the meantime, we have the delightful doctrine laid down by a Labour member that Parliament may be turned into a social club, and members attending to their own pleasure, and seeking their own luxuriousness and enjoyment, are to be considered as engaged in serious parliamentary business!

Mr. PAGE.—That is a deliberate lie, and you know it!

The CHAIRMAN.—Order!

Mr. PAGE.—He is lying; that is what he is doing!

The CHAIRMAN.—The honorable member must withdraw that remark.

Mr. PAGE.—I will do nothing of the kind. He is lying, and he knows it!

The CHAIRMAN.—The honorable member is not in order. He must withdraw.

Mr. PAGE.—I will do nothing of the sort. I say that he is lying, and he knows it!

The CHAIRMAN.—The honorable member must recollect that the Standing Orders do not permit such expressions to be used. The Standing Orders are framed for the express purpose of protecting honorable members.

Mr. PAGE.—I will withdraw the statement; but is the honorable member for Parramatta in order in getting up here and deliberately stating an untruth—that Labour members want to turn this Parliament into a social club?

Mr. JOSEPH COOK.—That is most offensive.

The CHAIRMAN.—The honorable member for Maranoa has withdrawn the statement, but he knows that he must withdraw it without any qualification. In regard to the statements made by the honorable member for Parramatta, I have followed them very closely, and took it that he based them entirely on some newspaper paragraph. They were not his personal opinions.

Mr. JOSEPH COOK.—The offensive statement has not been withdrawn.

The CHAIRMAN.—It is withdrawn.

Mr. JOSEPH COOK.—The honorable member repeated it.

Mr. G. B. EDWARDS.—The honorable member for Maranoa has not withdrawn the statement unconditionally.

Mr. PAGE.—Out of respect for the Chair, I withdraw the statement wholly.

Mr. JOSEPH COOK.—I care nothing for the honorable member's personal respect; nothing whatever.

Mr. PAGE.—Don't you—you cad!

Mr. KELLY.—I rise to order. The honorable member for Maranoa distinctly called the honorable member for Parramatta a "cad." I ask that that shall be withdrawn.

The CHAIRMAN.—I ask honorable members who desire that order shall be maintained to assist me in maintaining it. The honorable member for Maranoa must withdraw the remark that he has made.

Mr. PAGE.—I will withdraw it, but the honorable member cannot stop me from thinking it.

Mr. JOSEPH COOK.—Now I will proceed. I much regret that the honorable member for Maranoa should be disconcerted with what I am saying. I am addressing my remarks principally to one member of the Labour Party.

Mr. McDONALD.—Then refer to me by name.

Mr. JOSEPH COOK.—The honorable member for Kennedy, I mean.

Mr. McDONALD.—That is right.

Mr. JOSEPH COOK.—I quite identify the honorable member, and I am glad that he does not deny it.

Mr. McDONALD.—The honorable member said the "Labour Party"; I am not the party.

Mr. JOSEPH COOK.—I include, of course, the honorable member's leader.

The CHAIRMAN.—I have had to call for order more than half-a-dozen times within the last minute. Honorable members on both sides are continually exchanging remarks across the floor. I ask them to refrain from so doing, and to allow the honorable member for Parramatta to proceed.

Mr. JOSEPH COOK.—I refer to the honorable member for Kennedy, principally because, of all members of this House, I did not expect to see him adopting such sentiments as those which I have been condemning. I thought that if there was one honorable member who would have been

the last to agree to any such course as is proposed, it would have been he, who in the Queensland Parliament assumed an entirely different attitude. There was in the Queensland Parliament a Labour member named McDonald; and when such a course as is suggested here was taken by the Speaker of that Parliament, he was the very first to protest against anything of the kind being done. There were allegations there that the minority were not getting fair play from the Speaker. There were allegations there that a huge majority was rough-riding the House, and obliterating all the rights and privileges of the minority. A number of members—all, I think, belonging to the Labour Party—got up to protest against anything of the kind being done by the Speaker.

Mr. WILKS.—They ought to do it now.

The CHAIRMAN.—Order; order!

Mr. JOSEPH COOK.—On that occasion it was the honorable member for Kennedy who moved to dissent from the Speaker's ruling, because he had ignored those who had called attention to the want of a quorum, and dared to say that he had satisfied himself that there was a quorum present in the Chamber.

Mr. McDONALD.—Hear, hear. Quite right.

Mr. JOSEPH COOK.—This honorable member was the first to dissent from Mr. Speaker's ruling on that very matter. But now we find, according to report, that he is proposing to take a course which will enable Mr. Speaker to do the same—nay, much more than was done by the Speaker of the Queensland Parliament. I hope it is not the same McDonald who emphatically protested on that occasion?

Mr. McDONALD.—It is the same.

Mr. JOSEPH COOK.—The guardians of the rights of the House upon that occasion were the Labour members of Queensland. Now, it seems that one of them, at any rate, is going to try to stab the members of this House in a way which I venture to say is not in accord with any British precedent. I find that the whole of the members who voted with the honorable member for Kennedy in the Queensland Parliament against the Speaker were Labour members of that State. In spite of what has been said by the leader of the Labour Party on the present occasion, and in spite of the course contemplated by the honorable member for Ken-

nedy, I hope that enough members of the Labour Party will be found to say a word for the privileges of this Chamber. The honorable member for Maranoa did me a wrong in being so offensive to me just now, on the understanding that I had in my mind anything against him. I am identifying the people here to whom I refer.

Mr. PAGE.—Why did not the honorable member mention their names? He said, "the members of the Labour Party."

Mr. JOSEPH COOK.—My own opinion has always been, and is still—and I will not believe anything to the contrary until I am forced to do so—that the honorable member will be one of those who will never agree to depriving the members of this House of their rights.

Mr. PAGE.—Hear, hear!

Mr. TUDOR.—The subject is not up for discussion yet.

Mr. JOSEPH COOK.—I am referring to a newspaper report, and to some remarks which had been made previously in this debate. I ask myself the question—what is the purpose of Parliament? Honorable members opposite seem to suppose that the purpose of Parliament is to turn out legislation like sausages. May I remind them that that was not the original purpose for which Parliament was instituted? The main object of Parliament is to ventilate the grievances of people outside. That remains our great supreme object, and when its achievement is crippled by Standing Orders or other rules of procedure, a definite and decisive blow is struck at the very purpose of parliamentary government. Apropos of the charges of the leader of the Labour Party as to "stone-walling," and as to the burking of the real business of the country, I point out that one of the great purposes of parliamentary discussion is to form and lead public opinion outside. We are not here merely as a registering machine, but exist as a deliberative Chamber; and it is our supreme obligation to inform and shape public opinion outside, as well as within these walls. When we submit to caucus rules, we largely abrogate this first and most fundamental of our parliamentary obligations. It would be appropriate for honorable members who believe in caucus rule, and regard Parliament as a mere registering House—

Mr. WATSON.—When the honorable member used to abide by the decision of the majority in caucus, how often was that decision unfairly applied?

Mr. JOSEPH COOK.—The honorable member for Bland is prating, like a parrot, something that has been repeated in this House a score of times, but which has no point.

Mr. WATSON.—I merely state a fact.

Mr. JOSEPH COOK.—What the honorable member states is not correct.

Mr. WATSON.—It is; the honorable member was one who signed the agreement to abide by the decision of the majority in the caucus.

Mr. JOSEPH COOK.—To what is the honorable member referring?

Mr. WATSON.—I am referring to the caucus of the first Parliamentary Labour Party in New South Wales.

Mr. JOSEPH COOK.—Mr. Salmon, I believe I did sign that agreement.

Mr. WATSON.—Was it unfairly exercised?

Mr. JOSEPH COOK. — That caucus lasted for three months.

Mr. WATSON.—That does not matter—the principle is the same.

Mr. JOSEPH COOK.—I learned enough in that caucus to keep me out of caucuses for the future.

Mr. WATSON.—The honorable member was in the caucus for several years after that three months—he was in the caucus for two and a half years afterwards.

Mr. JOSEPH COOK.—That is an absolutely incorrect statement, for which there is not a tittle of foundation.

Mr. WATSON.—I say that it is absolutely correct.

Mr. JOSEPH COOK.—The honorable member is absolutely incorrect in his statement.

Mr. WATSON.—Until the honorable member joined the Ministry he was in the caucus all the time.

Mr. JOSEPH COOK.—That is an absolutely incorrect statement.

Mr. WATSON.—I maintain that the statement is absolutely correct.

Mr. JOSEPH COOK.—No one knows better than the honorable member for Bland that the statement is incorrect.

Mr. WATSON.—Mr. Chairman, I must draw your attention to a remark which I think is out of order.

The CHAIRMAN.—The statement made by the honorable member for Parramatta must be withdrawn.

Mr. JOSEPH COOK.—I withdraw; but I ask you, Mr. Chairman, to protect me from interruptions, which have never ceased since I rose.

The CHAIRMAN.—I must ask that the interruptions shall cease, and I also ask the honorable member for Parramatta not to invite interruptions by remarks which he may make.

Mr. JOSEPH COOK.—I do not care whether I invite interruptions or not; I wish to express my opinion in a parliamentary way; and it does not trouble me whether or not those opinions excite interjections. I hope I have a right to express my opinion without interruption, no matter what the character of my remarks may be, so long as they are parliamentary.

Mr. WILKS.—We shall have to fight our way with a bowie knife if the caucus members have their way.

The CHAIRMAN.—Order!

Mr. JOSEPH COOK.—It would be very appropriate for a caucus to propose those retrograde methods of parliamentary procedure. But the caucus, in its very constitution, is out of accord with all that relates to Parliamentary Government. If caucus rule is to proceed, ramifying as we see it every day, and leading to the crippling of the privileges of the House, Parliamentary Government will soon be a by-word and a disgrace in this country. It is because I feel that there are constant inroads being made on the system of Parliamentary Government, as that system has been known for hundreds of years, that I am raising my protest against the latest attempt on the part of an honorable member who, above all others, should be the guardian of the rights and liberties of the people of this country. We have been charged with obstruction. This House has been sitting for six weeks, and I venture to say that in that time we have done as much business as any deliberative assembly ever did in a similar period. First of all, the policy of the Government was declared and debated—a matter which always involves discussion for a fortnight or three weeks, and never less in any Parliamentary Chamber in the world. We have concluded the consideration of the classification scheme for the Public Service—a scheme which, I venture to say, no one outside ever dreamt could ever be dealt with in four days. The Commerce Bill is through its second reading, and the Trade Marks Bill has been taken into Committee. The Evidence Bill, the Jury Bill, and the Life Assurance Bill have been passed, and on the enactment of the latter measure I congratulate the Minister of Home Affairs.

Mr. MAUGER.—Then it would appear that the Prime Minister is leading the House?

Mr. JOSEPH COOK. — Two Supply Bills have been passed, and now we are in the first week of the debate on the Budget.

Mr. WILKS.—There is also the second reading debate of the Manufactures Encouragement Bill.

Mr. TUDOR.—The Budget debate was concluded last year within a week.

Mr. JOSEPH COOK.—And why? Because immediately preceding the introduction of the Budget, there had been a motion of want of confidence, which caused a debate of three or four weeks, thanks chiefly to honorable members in the corner. Under the circumstances, there was no need for any further ventilation of grievances, that having been accomplished under cover of the motion of want of confidence.

Mr. TUDOR.—The half-Prime Minister last year asked that the Budget debate should be concluded in one day.

Mr. JOSEPH COOK.—I have no intention of occupying time at any length. All I desire to do is to protest against both the tone and temper of this Chamber in regard to the conduct of public business, and, above all, in regard to a deliberate attempt which has been made to curtail the privileges of this House. That is my object in rising, and I shall make the protest when permitted to do so by the noisy members in the corner. And what has been the result of discussion in this Chamber? Only yesterday the Minister of Trade and Customs promised to submit substantial amendments in the Commerce Bill; and that promise, I venture to say, is the result of the elucidation of the question on this side.

Sir WILLIAM LYNE.—There has been no elucidation on that side of the House.

Mr. JOSEPH COOK.—That is a delightful statement from an honorable member, who, only the other night, promised the Opposition that he would submit amendments.

Sir WILLIAM LYNE.—I did not promise the Opposition anything of the kind.

Mr. JOSEPH COOK. — The way in which the Minister of Trade and Customs will eat his own words in twenty-four hours is remarkable. The result of the discussions which have taken place in this House up to date has been of the most beneficial character, having regard to the interests of the people at large. The Minister of Trade and Customs may sneer as he likes, but he

never debated a subject in his life—he never could rise to the necessary intellectual plane. All he can do is to sit and sneer and jeer at honorable members who do debate the questions before us; but the Minister may keep his jeers to himself, for I shall not tolerate them. I propose to conclude my remarks in a very few minutes. I regret that, owing to many interruptions, they have occupied very nearly an hour. I did not purpose, when rising, to claim the attention of the Committee for more than a sufficient time to enable me to make a protest against the on-coming of what I believe to be a violation of our parliamentary privileges. Having made that protest, I do not desire to occupy the time of the Committee any further. I shall be very glad indeed if my remarks constitute the whole of the observations on the subject from this side of the Chamber at this stage. My point, to put it briefly, is that if these newspaper reports be true, and I believe there is every reason to assume that they are accurate in almost every particular, we are faced with a very serious state of affairs. The proposal is one to still further centralize the government of the country, and I say that the present Government, of all Governments, has no mandate to make any attack upon our parliamentary privileges. It is only a strong Government, possessing the complete confidence of the country, and consisting of a homogeneous party, that may begin to assail the privileges of Parliament; certainly not a Government which comprises a party of less than one-third of the members of the House. In a condition of affairs like the present, we require more, and not fewer, parliamentary checks on the operations of a Government which represents only a minority of the House. The primary purpose of the institution of these checks is to preserve the privileges of minorities, but certainly not to provide a minority with instruments of oppression and coercion when they may happen to be in power. I say that the present Government has no authority from the country, and no constitutional authority of any kind, to whittle away the powers of Parliament. Their continuance in office at all is a violation of every constitutional principle. The majority supporting the present Government is made up of shreds and patches. It can only live by shifts and expedients of the most dangerous kind.

Mr. MAHON.—Like the last Government.

Mr. JOSEPH COOK.—I can find no better warranty for the course I am taking than the attitude of the honorable member for Coolgardie during the last session of Parliament. We can refer to *Hansard* to show that day after day the honorable member, with the persistence and rancour of the sleuth-hound, pursued the previous Government in their efforts to transact business. Whatever might be said of the last Government, it at least had the support of a majority of the members of this House.

Mr. TUDOR.—A majority of one.

Mr. JOSEPH COOK.—Even that cannot be said of the present Government. It represents the smallest party in the House.

Sir JOHN FORREST.—The late Government had not a majority in the members of its own party.

Mr. JOSEPH COOK.—Does my right honorable friend suggest that he was not in the coalition after all—that he was not a supporter of the coalition? Is that what the right honorable gentleman wishes us to infer? I take it that the right honorable gentleman, and the present Prime Minister also, were just as much supporters of the previous Government as we were. If not, then the coalition must not have been what it purported to be. I hope that my right honorable friend does not suggest that whilst he was in the coalition he was not of it. I say that the late Government had a majority, though a small majority, and they did not attempt to curtail the privileges of this House in the manner in which, if we are to judge by newspaper reports, it is the intention of the present Prime Minister to do. I say that the previous Government made no attempt to assault the privileges of the House in that way.

Sir WILLIAM LYNE.—What were the new Standing Orders to be?

Mr. JOSEPH COOK.—I do not know, and, as they were never discussed, it is impossible for any one to say. If it is desired to put an end to the privilege of discussion in this House, that is a fair subject for consideration in the constitution of the Standing Orders. But this proposal is but a piece of political hypocrisy. It is a proposal, according to the reports appearing in the newspapers, to make it appear that honorable members are in this Chamber when in reality they are attending to anything but the business of Parliament. It is quite sufficient for this Government to retain their offices, without their attempting to make an inroad like this upon our

parliamentary privileges. If they like to take the odium attaching to minority rule, if they like to hold office and its emoluments without the power requisite to give force to their wishes, and if they are ready to violate every rule of constitutional procedure, that is their own affair. But, at the same time, the obligation is laid upon the Opposition to seek by every means to avoid the dangers of such conduct. Retention of office by this Government under present circumstances, having regard to the composition of the Ministerial party, amounts to nothing more nor less than political obsession. If they like to retain their positions under present conditions, they have, of course, the right to do so; but my complaint is that, without having authority of a substantial kind, the Government are seeking to make an insidious inroad upon every principle on which this Parliament rests.

Mr. KING O'MALLEY.—The power which the Government possess seems to worry the Opposition.

Mr. JOSEPH COOK.—I say frankly that it is not the power which the Government possess, but the supplementary power furnished to them by the honorable member and his colleagues, that to-day makes me raise my voice in protest. I should have thought that the very last party to violate the privileges of Parliament, to do anything to stifle free speech and the thorough discussion of the measures submitted to Parliament, would be the Labour Party.

Mr. WILKS.—They are Thugs.

Mr. KING O'MALLEY.—Is the honorable member for Dalley in order in saying that the members of the Labour Party are Thugs?

Mr. WILKS.—I used the term in its classic sense.

The CHAIRMAN. — That is its very worst sense. I did not hear the remark, but I now ask the honorable member to withdraw it.

Mr. WILKS.—I have much pleasure in withdrawing it.

Mr. JOSEPH COOK.—These changes of Government are bad for the people. No one will gainsay that. The great need of Australia at the present moment is stable government. I make that admission freely and frankly. But we shall not get stable government by these shifts and devices. There is only one authority which can redress the balance of parliamentary parties, and that is the people of the constituencies. Parliamentary government is on its trial as

it has never been before in this arena. There are forces insidiously at work outside and within this Chamber, seeking to bring about the overthrow of our present system of parliamentary government, which has been our inheritance for many hundreds of years, but which unless we exercise patience, tolerance, and forbearance in our methods, must always and everywhere fail.

Mr. DEAKIN.—What is threatening parliamentary government at the present time is the honorable member's tolerance and forbearance!

Mr. JOSEPH COOK.—What is threatening it now is the intolerance of Ministerial supporters, and the charges of obstruction which are levelled at the Opposition day after day by honorable members opposite.

Mr. ROBINSON.—And the neglect of Ministers to attend in their places.

Mr. JOSEPH COOK.—I have already quoted facts to show that six weeks' good work has been done in this Chamber, and are we to be paid for it by being deprived of our parliamentary privileges? So far as I am concerned, I shall resist to the utmost of my power any proposal by this Government to curtail the rights of this Chamber, or the privileges which honorable members enjoy.

Mr. DEAKIN (Ballarat—Minister of External Affairs).—It is not for me to determine the purpose or profit of the speech to which the Committee has just listened. The pretext put forward most frequently for its deliverance was the promotion of the serious business of Parliament. I ask in truth what serious business could be assisted by it? So far as it related to anything, it discussed two proposals which the honorable member for Parramatta believes will be made to the House, one involving the resignation of an honorable member of the Standing Orders Committee, and the other the possible submission of a new standing order to the House. Neither proposal can be advanced or retarded until submitted to the House for decision, so that in any case nothing will have been gained by the present debate. On the contrary, time has been absolutely lost by the speech to which we have just listened. Parliament, as the honorable member suggested, is a great and complex machine. But it was framed long ago, and works to-day under conditions which render every legislative body in the world incapable of transacting its business unless it takes measures to pro-

vide against abuse of the powers of individual members. With us a member physically strong enough could occupy with his speeches the greater part of every sitting throughout an entire session, to the curtailment of the rights and opportunities of all his fellow-members, and the deprivation of all the constituencies other than his own of their due representation. The rights of the House are sacrificed to and by one member, whenever a speech is made, not *bonâ fide* for the advancement of the business of the country, but to discredit Ministers, the Parliament, or a party, or to serve some personal end. Such conduct is always unpatriotic, disloyal to Parliament, and harmful to parliamentary institutions. The parliamentary machine, like many other magnificent pieces of machinery, if injured in a slight and apparently insignificant part, may temporarily, at all events, be paralyzed. Honorable members have only to discuss to-day what cannot be done until to-morrow, or what ought to have been done yesterday, and year after year may go by without the enactment of a single piece of legislation. They have but to insist always on considering that matter of most importance which is not regularly before the House, and cannot then be dealt with, or dealt with only in an unsatisfactory and incomplete fashion, to absolutely destroy its usefulness.

Mr. LIDDELL.—Is it wise to give this advice?

Mr. WILKS. — It only provokes discussion.

Mr. DEAKIN.—Exactly. We sit silent, and are told that it is a conspiracy of silence; if we speak, that we provoke discussion. Hit high or hit low, our blows are delivered always at the wrong place and at the wrong time. I am not going to discuss to-day what I shall probably have to discuss next week, or at all events very soon, because to do so would be to pursue the course which I am condemning. The speech of the honorable member for Parramatta was merely the ebullition of his personal feeling, profitless to those who listened to it, and without a tittle of advantage to the business before us. He cannot pretend that anything he said during more than an hour will advance in the slightest degree either of the proposals with which he dealt. He spoke of the seriousness of parliamentary business, but must have had his tongue in his cheek while he did so.

Mr. JOSEPH COOK.—Has my honorable and learned friend ever known a course like this to be taken before on a matter of this kind?

Mr. DEAKIN.—Yes.

Mr. JOSEPH COOK.—Never.

Mr. DEAKIN.—No course has been taken which is not in consonance with the ordinary procedure of Parliament, so far as Ministers are concerned. We put business before the House every day, but have to listen day after day to the discussion of the impractical, the impossible, and the unsuitable. Honorable members debate some questions which are of public interest, but only when they cannot be dealt with, and thus cause an absolute stoppage of the transaction of business.

Mr. JOSEPH COOK.—Will the honorable and learned gentleman say why he did not propose this motion to-day, as is usual?

Mr. DEAKIN.—I do not know that course is usual. I expressly asked the honorable member for Gippsland to take twenty-four hours to reconsider his action, and waited until the last moment this morning to give him every chance to intimate to me that he had changed his intention. As he did not, I then gave notice of motion in the ordinary way. I do not propose to detain the Committee any further. I have exposed the true character of this debate, which has intruded upon another debate in itself sufficiently extensive in its scope to permit honorable members to discuss matters at large if they so desire. Whether they continue to do so or not will rest with themselves; but to speak of the seriousness of parliamentary business, and at the same time to turn the whole of its proceedings into a jest—

Mr. JOSEPH COOK.—I rise to a point of order. I desire to know whether the Prime Minister is in order in describing the proceedings of the Committee as a jest.

The CHAIRMAN.—I did not hear the remark of the Prime Minister, because I was engaged with the Clerk. Do I understand that the Prime Minister said that the proceedings of the Committee were a jest?

Mr. DEAKIN.—I said that the proceedings were turned into a jest by the speech of the honorable member; and that was what I meant.

Mr. JOSEPH COOK.—The Prime Minister did not say that.

Mr. DEAKIN.—Then I say it now. The honorable member for Parramatta, who is acting as the leader of one of the parties in the House, has purposely intervened in the serious business of the country in a frivolous and resultless way, for the purpose of airing personal opinions upon subjects which can only be dealt with when they are properly brought before the House.

Mr. JOSEPH COOK.—To what personal opinions does the honorable member refer?

Mr. DEAKIN.—Those having reference to the two motions which are likely to be brought forward, one relating to the resignation of an honorable member from the Standing Orders Committee, and another relating to the adoption of a new standing order. These matters must be brought forward, and must be dealt with. The honorable member's duty will possibly demand that he shall discuss them, and then he can only do so by repeating once more what he has said to-day. His remarks on this occasion have been absolutely resultless. They involved a waste of the time of a Parliament with a congested business-paper, which can only be cleared by the assistance of the majority of honorable members, including those opposite. It is not possible for any Ministry to force business upon an unwilling Chamber, but there should be nothing to prevent its being thoughtfully, deliberately, and carefully considered. As the result, however, of proceedings such as those for which the honorable member for Parramatta is responsible, our business will probably be compressed into a short space at the close of the session, when it will have to be dealt with hastily, and under circumstances much less favorable to its proper consideration.

Mr. JOSEPH COOK.—The Prime Minister is seeking to crush out the strength of the House in order to do what he wants.

Mr. DEAKIN.—No proposal of that kind has been made, and it is absolutely ridiculous to suggest that we are doing that or invading the privileges of Parliament, or using coercion. Even if it were proposed to make a permanent rule as to a quorum, instead of a rule optional under certain circumstances, the new standing order could not prevent any honorable member of this Chamber from addressing Parliament from January 1 to December 31 without stopping, if he were physically capable of doing so. The only object is to conserve the liberty of members, when they

believe that time is being wantonly and wickedly wasted, so that they may devote themselves to some better occupation than listening to meaningless speeches in the Chamber.

Mr. JOHNSON.—I desire to know whether the Prime Minister is in order in accusing the Opposition of a wanton and wicked waste of time?

The CHAIRMAN.—The words used by the Prime Minister did not, in my opinion, apply to any particular body in this Chamber.

Mr. CONROY.—Does the Prime Minister say that an honorable member's presence at the bar or in the billiard-room, constitutes attendance in this Chamber?

Mr. DEAKIN.—The honorable and learned member has never seen me at the bar. I do not need to exculpate other honorable members, but say in reply to the imputation conveyed by the honorable and learned member that a more temperate and sober body of men never existed in any Parliament. It is perfectly well known that an interjection such as that made by the honorable and learned member will be taken up, distorted and misrepresented, as the opinion of one speaking with knowledge. The honorable and learned member should know that his references made to billiard-rooms are misleading.

Mr. CONROY.—And card-rooms.

Mr. DEAKIN.—And card-rooms, if there are any. I do not know of any, and I have been in this Parliament from the beginning. All these references, so far as my knowledge goes, convey an impression which is absolutely incorrect. To my knowledge no honorable members are ever found in the refreshment-rooms, except at meal times. If they were as much patronized as the honorable and learned member's interjection suggests, there would be no necessity for the provision made upon the Estimates for that institution. I have said as much as is necessary at this stage, and hope that the Committee will, after this futile and purposeless waste of time, return to the business of the country.

Mr. JOSEPH COOK (Parramatta).—I wish to make a personal explanation, which seems to me to have been rendered necessary by the remarks of the Prime Minister. I have not uttered one word against either the billiard-room or the chess-table. I agree with the Prime Minister that there is no more sober body of men in the world than

the members of this Parliament. I have repeatedly stated that outside, and I deeply regret that anything should have been said calculated to convey any other impression. I am not one of those who believe that billiard-rooms and chess-tables are improper things. I believe that they afford forms of recreation which are very necessary in connexion with a Parliament of this kind. The whole point of my reference to them was that I objected to our providing in the rules of procedure of this House that attendance at such places was to be accounted as attendance upon the serious business of legislation in a deliberative Chamber.

Mr. McDONALD (Kennedy).—I do not intend to discuss this matter at present. I merely desire to direct attention to a remark made by the honorable member for Parramatta, which I think he will have the manliness to withdraw. He stated that I had taken a certain course, with the express object of turning this Parliament into a social club, where there is nothing to be done but play billiards or chess.

Mr. JOSEPH COOK.—What I did say was that the honorable member had taken a course which seemed to indicate that attendance at a social club was equivalent to attendance on the serious business of Parliament.

Mr. CONROY (Werriwa). — In reply to the Prime Minister's remarks, I wish to say that if I happen to visit the refreshment-room in order to obtain a drink, I will not have it recorded that whilst I am there I am present in this House attending to the serious business of legislation. Similarly, if I am engaged in a game of billiards or of chess, I decline to permit it to go forth to the public that I am present in this Chamber discharging my legislative functions. It is most unjust to bring forward a proposal which would have that effect. I will not take my pleasure and be a hypocrite over it.

Motion negatived.

Mr. McLEAN (Gippsland).—I wish to thank the Committee very much for their kind indulgence to myself. When I discontinued my remarks I was attempting to illustrate the present attitude of the Treasurer by a reference to one of Dickens' characters. That particular functionary endeavoured to impress upon his victims that they ought not to snivel at the prospect of their execution. The Treasurer does



not wish us to snivel even when we consider that the best interests of the Commonwealth are in danger. I would also remind the readers of Dickens that when that functionary himself was to be executed, he suffered even a greater collapse than did the Treasurer when he had to leave office. When he was taunted by a fellow criminal with inconsistency, and was reminded that he had been accustomed to declare that it was rather a jolly thing to be executed, he replied—"I ain't inconsistent. I was the hangman then. If I were the hangman now, I would say the same thing again." Similarly, if the right honorable member for Swan were in opposition, he would say of our friends in the Labour corner what he said of them last year when he was in opposition. But coming to a more serious aspect of the matter, even at the risk of being accused of snivelling, I have no hesitation in saying that the present position of affairs in this Parliament is one of the most grave that I can possibly conceive. I have not the slightest objection to any of my honorable friends upon the Treasury bench. If they had a sufficient number of honorable members behind them, holding the same views as themselves, they would have my support. Even if my honorable friends in the Labour corner occupied the Treasury bench, I should not consider that the position was so serious, because they would then be saddled with responsibility in proportion to their power. But what I consider threatens the best interests of the country, is the fact that the honorable members who occupy the corner benches—towards every one of whom I entertain nothing but the most friendly feelings—possess supreme power without any responsibility whatever. I venture to say that if they were in office they would not attempt—and even if they did, they would not succeed—to pass some of the legislation which has been taken up by the present Government at their dictation.

Sir JOHN FORREST.—To what legislation does the honorable member refer?

Mr. McLEAN.—If the right honorable gentleman will restrain his youthful impetuosity I will tell him. I have already pointed out the serious consequences which will ensue if we allow the Braddon section of our Constitution to lapse before any provision is made for taking over the States debts, and thus hypothecating the large revenue of the Commonwealth. In my opinion that matter in itself is sufficient

to endanger the financial position of the Commonwealth. I consider that the clause relating to the union label which has been inserted in the Trade Marks Bill at the dictation of the Labour Party—

Mr. WATSON.—I can assure the honorable member that there was no dictation on our part.

Mr. McLEAN. — My honorable friend knows that that provision was inserted in deference to his views.

Mr. WATSON.—It was quite a voluntary act on the part of the Ministry.

Mr. McLEAN.—If that clause be carried it will create a condition of things in Australia bordering upon civil war, and will stop very little short of that if it stops short at all. Again, in the Manufactures Encouragement Bill members of the Labour Party are not content with a measure which was framed in the interests of the whole people, and more particularly in the interests of the workers. They are not satisfied with the Bill, which was brought down by the right honorable member for Adelaide, who is one of the best friends of labour that Australia possesses. Instead, they have compelled the Government to insert in that measure a special clause conferring special privileges upon the class which they represent. These are important provisions which have been inserted at the dictation of my honorable friends in the Labour corner, and which are probably indicative of many others to come. The present position of the Government reminds me very forcibly of a mine which is being worked upon tribute. Honorable members know that when mine-owners are unable to work a mine or are unwilling to risk their capital in it, they frequently let it upon tribute. That is to say, the persons who work it give them a proportion of the gold which they derive from it. My honorable friends who occupy the corner benches are not now in power. To their credit, be it said, they place the interests of those who sent them here, before their own personal interests. They are content to allow the Government the prestige and emoluments of office provided that the latter do their work for them. In other words, the Ministry are carrying on the government of the Commonwealth upon a system of tribute. In effect they say to members of the Labour Party, "If you will keep us in office we will do your work. We will insert a special clause in any Bill in the interests of the particular class which you

represent." I consider that such a condition of affairs is a very serious one.

Mr. WATSON.—It would be serious, if it existed.

Mr. McLEAN.—The Treasurer endeavoured to prove by statistics that any apprehension on our part was absolutely groundless. But his attempt to do so was rather a clumsy one. I felt particularly edified and amused when he was quoting *Coghlan* with a view to proving that there were no grounds whatever for any of the slanders which have been levelled against the public acts of public men, and that everything was prosperous. It was really refreshing to watch my honorable friends in the Ministerial corner as the right honorable gentleman spoke. I was looking at them all the time. They were drinking in every sentence that he uttered in reference to this point, and, as if their ears were not sufficient to catch every word that he said, they had their mouths wide open, like a row of letter-boxes. "I thought that Australia was being ruined by Socialism." "I was under the impression that this state of prosperity was not possible in the present condition of politics." Such interjections as these were frequent. My right honorable friend was very astute. In quoting his statistics, he divided them into two parts, and dovetailed a few remarks on the Budget between the first and the second set. If he had submitted the two sets together, I do not think we should have seen so much jubilation as we did in the Ministerial corner, because no one could have furnished more destructive proof of his contention than was supplied by his own statistics. What did he prove? He proved by quotations from *Coghlan* that which we all know — that Australia has marvellous resources, and, given good seasons, has immense recuperative powers. Speaking from memory, and, therefore, subject to correction, I believe he said that one individual in the Commonwealth could produce as much wealth as could three in Great Britain, Germany, or Austria, two in France, or one and a half in the United States. This statement was cheered to the echo by honorable members in the Ministerial corner.

Mr. WATSON.—The worker could always earn that amount of wealth, but we do not say that he always gets it.

Mr. McLEAN.—What did the other set of statistics quoted by the Treasurer show? They showed that, in spite of our un-

paralleled advantages, and of the immense possibilities of wealth production in Australia, we have failed not only to attract population to our shores, but to keep that which we have had here. The right honorable member went on to show that there is more idle money in our banks to-day than at any other period in our history. He proved that, notwithstanding Australia's marvellous resources of natural wealth, and the splendid opportunities for investment in industrial enterprises, the owners of all this money continue to allow it to remain idle; and that those who should have been employed by its investment in our industrial enterprises, are leaving our shores in search of work. That is all that his statistics proved. They reminded me of the lines from *Lalla Rookh*, wherein the Veiled Prophet, drawing back his silver veil, and for the first time revealing his hideous countenance to the maid whom he has been tormenting, calls upon her to look and see—

... if hell, with all its power to damn,  
Can add one curse to the foul thing I am.

The most bitter detractors of our honorable friends in the Ministerial corner could not have offered us more destructive proof of the effect of their influence on the Government.

Sir JOHN FORREST.—What was the honorable member doing all the time he was in office?

Mr. McLEAN.—I was doing the work of the country, instead of strutting about in gold lace and brass buttons. My right honorable friend referred to the intention of the Government to seek to attract population to our shores.

Sir JOHN FORREST.—We have not had a chance. When I spoke we had been in office only six weeks.

Mr. McLEAN.—I did not hear the Treasurer say that the Government intended to pull down the slip-rails to let immigrants in.

Sir JOHN FORREST.—Why did not the Government of which the honorable member was a member pull them down?

Mr. McLEAN.—If we had been given an opportunity we should have submitted to the country a proposal to do so.

Mr. WATSON.—After a six months' recess the honorable member's Government simply came down to the House with a proposal to amend the Standing Orders.

Mr. McLEAN.—The Treasurer should have told us how the immigrants to be attracted to our shores could land in Aus-

tralia. He knows that a former Government of which he was a member accepted a clause in the Immigration Restriction Bill which prevents unskilled labour from coming into Australia under contract. There was another clause in the same Bill which prevented any person coming in who might be a charge upon the Commonwealth.

Mr. WATSON.—The honorable member was in favour of that.

Mr. McLEAN.—I was, because it was not an unusual provision; but I was bitterly opposed to the first-named clause. I was prepared to concede that which the honorable member for Bland first said he desired to get. If he desired only to prevent men being brought into the country to take the place of others on strike, I should go with him so far as was necessary to guard against such a contingency; or if he said that the desire of his party was merely to prevent men coming into the country to accept lower rates of wages than those prevailing in Australia, or to remove any other disability, I should also be with him.

Mr. WATSON.—Then we may be able to meet the honorable member.

Mr. McLEAN.—But, subject to these conditions, I say that to prevent a man coming into the Commonwealth under contract is really to prevent immigration. If a man who was without means, and had only his labour to offer, sought to land in Australia, he might be challenged on the ground that he might become a charge upon the people. On the other hand, if such a man took the precaution to guard against becoming a charge on the people by bespeaking employment—and that is the best class of immigration we can have—he would, under the contract section of the Immigration Restriction Act, be prevented from landing.

Sir JOHN FORREST.—Did the honorable member oppose that provision?

Mr. McLEAN.—I went to the Minister in charge of the Bill as soon as the clause was submitted, and asked him what it meant. He replied that it was merely designed to prevent men being brought into the Commonwealth to take the place of others on strike; but when I had considered the provision, and discovered its real meaning, I denounced it as strongly as I could, in the House, and also in the country.

Sir JOHN FORREST.—It is a pity that the honorable member's Government did not seek to repeal it if he was opposed to it.

Mr. McLEAN.—Had we remained in office we should have referred it to the country. We could not hope to repeal it in a House that was largely committed to the principle. I have no further observations to offer, but commend these few points to the Treasurer, in the hope that he will profit by their consideration.

Mr. LEE (Cowper).—The Budget which has been submitted by the Treasurer appears to be so satisfactory to Ministers that not one of them has thought it necessary to speak to the question. So far, criticism of it has come solely from this side of the Chamber. The matter is one of such moment that it should be thoroughly and carefully considered. There are a few matters on which I should have liked the Treasurer to give us a little more light. For instance, on the first page we find agricultural products coupled with groceries. I should have preferred the right honorable gentleman to separate the items, and let us know exactly what revenue he expects to receive from the duties on agricultural produce. When agricultural produce is coupled with groceries in the Budget, we cannot form an idea as to what quantity of the former is coming into the Commonwealth. We know that from New Zealand we receive oats and other articles. I should like to know what trade in agricultural produce it is doing with Australia. I notice that the great bulk of the criticism from this side has been directed against the sugar bounty. This is one matter in respect to which the Ministry has defined its attitude. It intends to extend the sugar bounty for a period of five years. I sympathize with the interjection of the honorable member for Maranoa, that the kanakas came here under contract. The most trying time in the history of the sugar industry will be at the end of 1906, when the kanakas will be deported. In my opinion the Government is justified in extending the bounty for a period of five years.

Mr. McWILLIAMS.—How many kanakas are employed in New South Wales?

Mr. LEE.—Very few. I am pleased to say that in New South Wales the farmers are able to grow sugar with white labour, although I understand that some 2,000 acres are being cultivated with black labour. When the leader of the Opposition was in the Clarence River district, he was informed by a farmer that he preferred to grow sugar under black labour conditions,

rather than to receive a bounty. The claim that the Commonwealth is placing a great sum in the hands of the farmers who use white labour is moonshine. If we believe in the policy of a White Australia, we have a perfect right to show our loyalty by giving this bounty to the farmers, so long as a black man is employed in the sugar industry at wages lower than those paid to white men.

Mr. TUDOR.—Then the honorable member would perpetuate the bounty as long as a black man was employed?

Mr. LEE.—I would not, because during the period of five years there will be an over-production of sugar, both the bounty and the Excise duty will become things of the past, and the industry will have to compete with the sugar grown by black labour elsewhere. That is a point which we ought to remember. The revenue from the import duty on sugar is about £90,000 a year. A representative of Victoria was crying out the other day that it is receiving £100,000 a year less from sugar duties than it did under its old Tariff. That is one of the results of Federation. Victoria has not cried out about the way in which she is flooding the markets of other States, such as Queensland and Tasmania, with the products of its factories built up by means of protective duties. The estimated revenue from the Customs duty on sugar this year is £90,000. As the years roll on the revenue from this source gets smaller and smaller, and the time is very near when the import duty of £6 a ton will be inoperative. When that time arrives, there will be no necessity for granting a bounty, and the Excise duty will have to go, because it would be unfair to ask for Excise duty when the import duty was inoperative. Our sugar-growers will then have to face the markets of the world. When the honorable member for New England was speaking with much warmth about the employment of coloured labour, he forgot to mention that the Treasurer will receive £514,500 from the Excise duty on sugar. If we deduct the bounty of £146,000 we shall get a balance of £368,500. Despite the Treasurer's brilliant account of the resources of this country, which we know are very great, the revenue is growing smaller and smaller every year. I notice that the estimated revenue for this year is £357,920 less than the actual revenue for the previous year. If the bounty be abolished

the Excise duty will have to be repealed, and that represents a sum of £368,500 more than what the bounty cost. In that case, the Commonwealth will return to the States £726,420 less than it did in the previous year. We should consider very seriously how the revenue will be affected. I agree with the remarks of the honorable member for Gippsland on this subject. I can see that his idea regarding the bounty is a very good one, because it is only a matter of time when both the bounty and the Excise duty will vanish, and, owing to the large production, sugar-growers will have to compete in the markets of the world. I am sorry to see that the Treasurer is asking for such a small sum for the purposes of defence. When we come to consider how extensive and wealthy Australia is, and what it has done for its people, I think we should be prepared to vote money for defending its shores. The sum placed on the Estimates is not adequate for that purpose. The Treasurer had no warrant for saying that he could not get more money voted, because we shall return to the States £400,000 more than we are obliged to. He would have been quite justified in asking for a larger vote for the military service. I take a very deep interest in the rifle clubs. The members of rifle clubs are not paid for their services, but they have sufficient patriotism to take up arms and devote a great deal of leisure to training. When the Government find a class of men willing to bear arms in this way, the very least it should do is to give them a little encouragement. The paltry sum of £600, which is set down for rifle clubs in New South Wales, is altogether inadequate. That sum will be required to put some of the ranges in proper order. All that the military authorities—whom I propose to discuss when the military estimates are submitted—think they have to do is to put down a range, no matter how it is constituted, and give the men a target. They seem to think that that is good enough for the people in the country. In Kempsey, where there is a splendid rifle club, a range has been formed. I was there a few months ago. There are logs across the range, and it is impossible to lie upon the mounds for firing purposes. Furthermore, a rifleman has to wait two and a half hours for a shot. That is how the military spirit is being encouraged in this country. Instead of £600, the Government would be justified in giving

the rifle clubs £6,000. It is not necessary to go to New South Wales to see how they are being neglected. One has only to run down to the Williamstown range and look at it. Its condition is simply disgraceful. The Victorian Rifle Association has to find all the money to keep that range in order, without receiving one fraction from the Commonwealth. It is time these matters were looked into. The military vote for New South Wales is £169,736. The amount for the permanent forces is £70,766. There are 505 officers and men to be paid, leaving for other military purposes £98,960. No efforts seem to be made to encourage people who are willing to take a part in the defence of the country to do so. Some time ago efforts were made to establish an artillery battery on the Clarence River. We have no means of defence between Newcastle and Brisbane. Men were willing to give their services, but they were refused because it was said we could not afford the expense. Yet the Treasurer proposes to give back to the States £400,000 more than the three-fourths which we are obliged to pay back to them. I consider that the Government ought to be more liberal in dealing with the defence of the country. No doubt the higher paid officers are properly treated; but I am speaking in the interests of the rank and file—the men to whom we shall have to look if ever the time comes when we shall have to defend our shores.

MR. AUSTIN CHAPMAN.—Hear, hear.

MR. LEE.—I hear the voice of the Postmaster-General, and I compliment him on the satisfactory state of his Department. But he also might be a little more liberal in his treatment of settlers in the back-blocks who are asking for a postal service, with a delivery once a week. I trust that when these facilities are asked for, the answer will not be that the Government have not funds available for extending the advantages of civilization to people who enjoy so few of them. I am of opinion that the Budget was ably placed before us by the Treasurer. The Estimates have been criticised from many stand-points, and the criticism has been fair. I trust that when they are discussed in detail, those honorable members who have remained so silent at this stage will have something to say in the interests of the various States. It is said that we have tried to "stone-wall," and have prevented business from being expedited. I venture

to say that the time which has been spent in this debate has been well employed. In the States Parliaments, Budget debates are protracted to a much greater extent than ours has been. In New South Wales, Budgets have been discussed for three weeks. In all the States, such debates are lengthy. We have to consider the affairs of six States. I think that the time has been well spent, and that the Government have no cause of complaint. In criticising these matters we, who are members of the Opposition, think that we have only done our duty, and we intend to continue to do it fearlessly. We are determined to criticise wherever we think criticism is necessary, and in so doing we believe that we shall be acting in the best interests of our States and of the Commonwealth.

MR. SKENE (Grampians).—The right honorable the Treasurer has come in for a good deal of criticism in regard to his first Budget. It was not, I think, to be expected that, coming into office suddenly, as he did, he would be able to follow in the footsteps of the ex-Treasurer in displaying the facility for handling the figures of the Commonwealth that the right honorable member for Balaclava has always shown. I have heard that it takes three generations to make a Lombardy olive-pruner; and I should say that it would require several attempts for any one to excel, as the late Treasurer did, in bringing forward his account of the financial affairs of the Commonwealth. We have had a great mass of figures put before us. It appears to me that the details are too numerous. To establish at once a close connexion between the speech of the Minister delivering the Budget and the mass of figures presented in the papers, must involve a great deal of work. In fact, the right honorable gentleman, in the position which he occupies, reminds me of a story of Mark Twain, related in his *Innocents at Home*. Mark Twain after giving an account of his experiences in the crater of a volcano somewhere in the Sandwich Islands, where he said the smell of brimstone was very strong, but not unpleasant to a sinner, went on to relate how in the course of his journey he arrived at an island where he found the natives engaged in an amusement somewhat resembling water tobogganning. They went through the breakers into the sea, holding in their hands pieces of board, somewhat

of the shape of the copies of the Estimates which have been placed before us, we may suppose. A native enjoying this amusement would put his board on the top of an incoming wave, and by that method glide in with much pleasure to himself. But when Mark Twain tried the same experiment, he got out all right up to the point when he had his bit of board on to the top of a wave, but he missed the connexion, with rather disastrous results, and was only brought to shore by means of the assistance of friendly natives. I think the Treasurer may regard the honorable members who have been criticising his Budget as "friendly natives," who have been trying to assist him.

Mr. DAVID THOMSON.—They were trying to drown him.

Mr. SKENE.—Oh, no; I am sure they were trying to help him. Their desire is to see him clothed and in his right mind again." Within this labyrinth of figures, there is one matter which strikes me more forcibly than anything else, and that is that the Treasurer seems to be of opinion that if we go on as we are doing, we shall soon have to make some financial rearrangement. In fact, he seems to think that, so far as the Commonwealth is concerned, we are on the high road to bankruptcy. He has told us that last year the States received back from the Commonwealth £734,277 over their three-fourths. The estimate for the present year is that they will receive only £499,170 over their three-fourths. That is rather a serious matter. In one way it indicates that the results which were expected from our Tariff have not been so disappointing to the Protectionist Party as is sometimes represented, because that decreasing revenue must show that industries within the country are prospering.

Mr. MAUGER.—That does not follow.

Mr. SKENE. — In what way does it not?

Mr. MAUGER.—Very often a high Tariff will bring in more revenue, and at the same time be more effective in a protectionist sense, than a low Tariff.

Mr. SKENE.—That may be; but certainly the figures show that the Tariff has not had the effect of diminishing our industries, or of dwarfing them. The view which I take of economics may be different from that taken by the honorable member for Melbourne Ports. I refer to this, merely in order to show that when the

anomalies in the Tariff—and I grant that there are anomalies—are rectified, as I hope they will be, the result will not be to increase the revenue, but rather the contrary. The position which has been placed before us by the Treasurer will be accentuated. The revenue will be still further decreased, and the States will have to look elsewhere for funds.

Mr. G. B. EDWARDS.—The whole falling off in the revenue has been on fodder and sugar.

Mr. SKENE.—The Treasurer put forward a suggestion, though I think only incidentally, that it might be wise not to re-enact the Braddon section. If that course were adopted, we might begin a method of financing which was characterized some years ago in Victoria as dipping into the public purse in a "free, easy, and accessible manner." This would make the position very difficult, because the States have been deprived of the power of indirect taxation, which is the least objectionable system from the people's point of view, simply because the effect cannot at once be seen.

Sir JOHN FORREST.—The Government have not suggested that the Braddon section shall not be re-enacted.

Mr. SKENE.—As I have said, I believe that that was only an incidental suggestion on the part of the Treasurer.

Sir JOHN FORREST.—I did not make that suggestion; what I said was that another plan might be found of dealing fairly with the States.

Mr. SKENE.—At the present time the States have a firm hand on the Commonwealth, and I understand that the Treasurer's suggestion is that the finances should be placed practically within the control of the Commonwealth.

Sir JOHN FORREST.—No.

Mr. MAUGER.—Cannot the honorable member for Grampians trust himself as a representative?

Mr. SKENE.—There are a great many men whom I would trust individually, but who, acting in a body, might proceed in a slipshod sort of way, of which I could not approve.

Sir JOHN FORREST.—There is nothing in my speech that is adverse to the States.

Mr. SKENE.—What was suggested would, it appears to me, be adverse to the States.

Sir JOHN FORREST.—What I said was that I did not see that much good could result to the States by extending the duration of the Braddon section, and that I thought we might help them better in another way.

Mr. SKENE.—When the Treasurer proposes that other way, no doubt he will be able to get the States to agree; but he will have to show that it is also the better way.

Sir JOHN FORREST.—Exactly.

Mr. SKENE.—As to the question of defence, I am sure that honorable members, on whichever side of the House they may sit, must have been pleased with the masterly speech of the honorable and learned member for Corinella. Some people seem to think that that gentleman introduced more matter than was necessary, having regard to his former position as Minister of Defence; but it is not always that we have the advantage of hearing a gentleman who can speak, not only as an ex-Minister, but also to a limited extent—I do not wish to flatter him by saying more—as an expert. I agree with the honorable and learned member as to the expenditure that is necessary, because I think that up to the present we have been rather playing with the question. There is no doubt that we shall have to tackle the matter in the way indicated by the honorable and learned member for Corinella; and we might even go further, and borrow £1,000,000 or £2,000,000 if that step should be shown to be necessary to place the defences on a proper footing.

Mr. KING O'MALLEY.—Rather wipe out the whole business first!

Mr. MAUGER.—When once a Government starts borrowing, it does not know when to stop.

Mr. PAGE.—The States have borrowed enough already.

Mr. SKENE.—At the same time, if we are to have coastal defences, flotillas of torpedo boats, and so forth, as indicated by the honorable and learned member for Corinella, something will have to be done to provide the £800,000 or so which is estimated to be necessary.

Mr. WATSON.—We are spending £200,000 a year already on the naval subsidy.

Mr. SKENE.—But if we do no more, some Power may come in and render it unnecessary for us to make even that contribution.

Mr. KING O'MALLEY.—It will take Japan and Russia fifty years to recuperate.

Mr. SKENE.—At the same time, we shall have to make a beginning with an adequate defence expenditure. Unlike other British Possessions, and other countries of the world, we are in the happy position of never having had to engage in a war, not even a native war. We have been specially favoured in that respect; and any money we provide now will be for new expenditure incurred in anticipation of difficulties, rather than to meet indebtedness contracted in the past. We can, therefore, I think, afford to be fairly liberal, and I have a suggestion to make which, if acted upon, would be the means of meeting the interest on any money borrowed for the purposes of defence. A great deal has been said about the Swiss system, which is referred to by nearly every one who addresses himself to the question of a civilian army. One feature of the Swiss system, however, has, I think, not yet been considered. We have become somewhat familiarized with the idea that all citizens should serve in the defence of the country; but Switzerland goes a step further, and makes the men who do not serve pay a certain amount yearly towards the expense of the army.

Mr. WATSON.—If a man in Switzerland is rejected from any cause, he has to pay an exemption tax.

Mr. PAGE.—Even if he be medically unfit?

Mr. SKENE.—I should not go so far as to say that, but if a man is not called upon to serve, he has to pay an exemption tax. Of course, it may be reasonable to say that such a system would press rather hardly on the poor man.

Mr. PAGE.—It would be a God-send to some poor men, because, at any rate, they would get good square meals when serving.

Mr. SKENE.—All the members of a civilian army ought to be on the same footing, and a slight tax, such as I have mentioned, would affect all equally. If it be contended that the wealthier classes should contribute in proportion to their possessions, they might be called upon to contribute to the general system of taxation by means of some other tax. On the sum of £1,000,000, borrowed for the purpose of putting our defences on a proper footing, the interest, at  $3\frac{1}{2}$  per cent., would amount to only £35,000; and, if each of the 900,000 male voters in the Commonwealth contributed one shilling yearly, the result

would be £45,000, or £10,000 more than as required for the interest. A small tax of that kind would amount to no more than the price of a voter's right.

Mr. PAGE.—If I went to my electors and advocated borrowing £800,000 for military purposes, they would shove me into a lunatic asylum.

Mr. SKENE.—Does the honorable member think that the suggested contribution of one shilling each man is unreasonable?

Mr. PAGE.—I do not think so, but my electors would think so, in view of the taxation they already bear.

Mr. KING O'MALLEY.—This money would be for unproductive work.

Mr. SKENE.—I would point out to the honorable member that such a fund must be regarded in the light of insurance. There is another matter to which I should like to refer, and that is the settlement of people on the land. I am sure the Treasurer will not think that I am "stone-walling" in ventilating such views as occur to me on the subjects dealt with in his Budget speech. I am rather inclined to think that assisted immigration is not quite the best way to begin with. There is one way of encouraging people to come here which I should like to see tried before any attempt is made to introduce immigrants, who would have only their own work to depend on. The Treasurer and other honorable members have referred to the Canadian grants of land. These are all very well if you have good land to grant; but when the best lands have passed out of the hands of the Government, the poorer lands left are not such as would attract people from distant countries. I think that the proposal put forward in Victoria under the Closer Settlement Act for financing people on small blocks of land is likely to bear good fruit. I believe that it is likely also to be adopted shortly in New South Wales, because I see that the Minister of Lands in that State has made a similar suggestion, without being aware that the proposal had already been adopted in Victoria. I have always endeavoured to show my friends of the State House of Parliament in Victoria that the system of buying large estates and cutting them up for small settlers is not the most advantageous method of securing settlement. Under the plan now adopted, the whole of the lands of the State are practically thrown open for selection, and arrangement is made for a bargain between the man who has some capital and desires a piece of land,

and the man who has the land, with the State Government as umpire to see that the buyer does not pay too much for the land. Under section 6 of the new Victorian Act an agreement can be entered into between buyer and seller with respect to land in any part of the country, and if the Government confirm the agreement, they will make an advance on the land in the same way as they would in the case of a settler taking up a portion of a re-purchased estate. If it were generally known that it is possible to get land in Australia in that way it might attract men possessing some small capital, and a desire to better themselves by coming to what is not now the uncivilized country that Australia was when my parents came here sixty-five years ago. If it were made known to intending emigrants that all that would be required of them would be that they should have a certain amount of capital necessary to purchase a working plant and make a start, and that they would require to pay only  $4\frac{1}{2}$  per cent. interest on the valuation of the land, with  $1\frac{1}{2}$  per cent. towards a sinking fund, I believe that many would be induced to emigrate to Australia to take advantage of such conditions.

Mr. PAGE.—How much would a man require to start a farm in Victoria?

Mr. SKENE.—About £300.

Mr. HUTCHISON.—Where could he get the land?

Mr. SKENE.—Under the scheme to which I referred he could get it anywhere.

Mr. PAGE.—There are more people in the old country without £300 who wish to emigrate than there are of intending emigrants who possess that sum.

Mr. SKENE.—I see some disadvantages in inducing people to come out here who have not sufficient capital to make a start on the land. I believe that the scheme to which I refer would do good in providing employment for people who are here already. The principal objection raised to the scheme is not, in my opinion, a strong objection. It is contended that it might lead to owners of land putting too high a value on their land, but I have no hesitation in saying that I do not think that would follow.

Mr. CONROY.—I understand that the State must be satisfied that the land is of the value set upon it.

Mr. SKENE.—That is so. The condition of affairs with respect to large landed estates has altered very much within the last ten or fifteen years. Fifteen years



ago, men in Melbourne engaged in business, and making a little money, were nearly all under the impression that they must have a landed estate somewhere. Their competition for land had then to be taken into account, but it has since entirely disappeared, and a cash purchaser for a large landed estate is hardly to be found in Victoria at the present time. The State Government is now practically the only cash purchaser for these properties. One great advantage which has followed the many discussions of the subject is that the State Government, instead of asking land-owners to take Government debentures for their land, now offer hard cash for it, and in this way they are in a position to buy land cheaper than any one else. If the people in the old country were made to realize what can be done in this way, I believe we should have many of them coming here. I am glad to see that a movement in this direction has already been made by Mr. Taverner, the Agent-General for Victoria. He has written to the State Government, suggesting the placing at his disposal of some areas of land to assist him in inducing families in the old country to take advantage of the new scheme.

Mr. G. B. EDWARDS.—At any rate, it would help to keep those we have here.

Mr. SKENE.—It would assist in keeping those we have here. I do not say that it would follow that labourers could not be introduced from the old country under this scheme, but I am afraid that the Immigration Restriction Act would not be found to work well in conjunction with the scheme. But for the operation of that Act, I believe that under such a scheme farmers coming to Australia from the old country with a little capital would be able to introduce a number of labourers who would be glad to come out, if they knew that when here they could find work on the farms of men with whom they were acquainted in the old country.

Mr. CONROY.—Is there a limitation as to the value of land under the Victorian scheme?

Mr. SKENE.—Yes; at present, the limitation is £1,500 in value; but I am under the impression that the members of the Land Purchase Board are satisfied that in some parts of the country that is not a sufficiently high amount, and I should not be surprised to see it increased to £2,000. However, that is a matter of detail, and I have referred to the general

principle. I do not propose to touch on the question of the transfer of States debts. Many schemes on the subject have been put before us, and while I have not any of my own to suggest, I say that the question is one which should be tackled as early as possible. The longer its settlement is delayed the greater will be the difficulty, and some reasonable scheme should be brought into operation as soon as possible. A matter that has not, so far, been touched upon is that of the control of the railways. I think it is probable that this will be found to be even a more troublesome question than that of the transfer of States debts. Speaking for Victoria, I am able to say that there is a strong disposition in this State to believe that it would be practically impossible for the Federal Government to manage the railways. I am of opinion that the railways of Australia cannot be properly managed from one centre. Referring again to Switzerland, it has occurred to me, without going further than the outer edge of the subject, that the adoption of another of their methods might probably assist us. While the legislative powers of the Swiss Federal Government are very large, its administrative powers are not so great, being left to the Cantons. The feeling in Victoria is very strongly against the taking over of the railways by the Commonwealth, but I do not think we shall have full and effective Federation until we have taken over, not only the debts of the States, but the railways; and possibly we might adopt to our mutual advantage a system under which the financing of the railways would be left to the Commonwealth, and their administration to the States as at present. I shall not anticipate the report of the Old-Age Pensions Commission, but, no doubt, the subject into which it is inquiring is one which we shall have to consider very closely from several points of view. I think that something might be done by the encouragement of thrift in the community to make the public burden less than it would otherwise be. I have referred to the English Royal Commission of 1892, and Mr. Chamberlain's suggestion that individual contributions to benefit or insurance societies might be supplemented by Government grants of equal amount on the individual attaining the age of sixty, or sixty-five years. While I was in Sydney the other day, I met a Mr. Luard-Pattison, who was secretary to Lord Dufferin, when Governor-General

of Canada, and is now manager for Lord Iveagh, who has done so much for the better housing of the poor in England, from whom I obtained some very interesting information on this subject. Unfortunately, he was on the point of leaving Australia, so that I could not get him to give evidence before the Royal Commission; but he told me that in 1896, or in 1897, he wrote a letter to the *Times*, headed "A Voluntary Old-age System," in which he suggested a certain method for assisting people to provide for their old age. I have looked through Palmer's *Guide to the Times*, and have been helped by the Parliamentary Librarian, but I have not been able to find the letter. Speaking from memory, the system as described to me by Mr. Pattison was that, when any person had been in the employment of another for a period of a year, and had contributed to a sick pay insurance fund for the same period, the employer should buy for him, by a contribution of an equal amount to an insurance or benefit society, or in some similar way, a portion of an annuity, to mature at a certain age. If the workman went to a second employer, that employer at the end of the year would have to do the same. These payments were not to be made to the workman himself, but to go to his credit, until, at the age of sixty or sixty-five, or whatever might be the time fixed upon, the annuity would mature, and become payable. If we can encourage men to do something for themselves in their younger years, it will be of great assistance to the Commonwealth in decreasing the amount that would be required from the Government for old-age pensions and charitable assistance. I do not propose to discuss now any of the other questions arising out of the Budget, because I make it a rule to, as far as possible, confine my remarks to subjects which are not touched on by other honorable members. I hope, however, that when the debate is finished we shall settle down to business; and I shall perhaps have a little to say hereafter as the Estimates of the various Departments come before us.

Progress reported.

## ADJOURNMENT.

### ORDER OF BUSINESS.

Mr. DEAKIN (Ballarat—Minister of External Affairs).—I move—

That the House do now adjourn.

In view of the time that has been occupied by the debate on the Treasurer's financial statement, and the necessary consideration that was due to honorable members this afternoon, I feel justified in asking for their assistance in bringing to a close the debate on the first item of the Estimates on Tuesday evening next. I understand that only a few more honorable members desire to address the House, and hope that we shall be able next week to make substantial progress with the business which lies before us.

Mr. McDONALD (Kennedy).—I do not think that we can carry on business at all in the absence of the honorable member for Parramatta, who has been away from his place for some time. I should like to know in what business he is now engaged—whether he is in the billiard-room or the chess-room?

Question resolved in the affirmative.

House adjourned at 3.43 p.m.

## House of Representatives.

*Tuesday, 5 September, 1905.*

Mr. SPEAKER took the chair at 2.30 p.m., and read prayers.

### PETITION.

Mr. McLEAN presented a petition from the Victorian Chamber of Manufactures, protesting against the inclusion of the union label clause in the Trade Marks Bill.

Petition received.

### IMMIGRATION RESTRICTION ACT.

Mr. JOSEPH COOK.—I wish to know from the Prime Minister if it is a fact, as stated in the newspapers, that the Government have been considering the Immigration Restriction Act? If it be a fact, will he state to the House whether the Government have decided to repeal or to modify the Act?

Mr. DEAKIN.—The Government have been considering the Act, and a number of other matters in connexion with proposals to attract population which we hope to submit, but until those proposals are submitted as a whole I cannot announce them.

## TRANSCONTINENTAL RAILWAYS.

Sir LANGDON BONYTHON.—I wish to know from the Prime Minister (1) If the Government are of opinion that the early continuation of the railway from Oodnadatta to or towards Port Darwin is of national and Federal importance? (2) Will the Government be prepared to recommend Parliament to assist the State of South Australia, if asked by its Government, to proceed at an early date with the survey for and subsequent construction of such continuation? (3) Will the Government state what, in their opinion, will be the best method of giving assistance and support to the work referred to?

Mr. DEAKIN.—These are very important questions, deserving the consideration of the people of the Commonwealth. They were placed in my hands by the honorable member in sufficient time to enable me to announce what is and always has been the attitude of the Government on the main principle involved. We consider the construction of this transcontinental line to be a matter of national and Federal importance, because of its commercial usefulness and serviceableness for Defence purposes. The railway would also open up a large area in the interior, which, according to recent reports, offers much more opportunity for profitable development than has hitherto been supposed. Questions 2 and 3 may be answered together. It has lately been suggested that the dividing line between the Northern Territory and South Australia proper might be altered with advantage, and I understand that the extension of the South Australian railway from Oodnadatta to the McDonnell Ranges is in contemplation. This line would reach to a point beyond the present boundary, but not beyond the proposed boundary; and, although of interest to the whole Commonwealth, the extension would be of particular interest only to South Australia. But the further extension through the Northern Territory to Port Darwin would be of national importance, seeing that it would provide an outlet to Torres Straits and the northern seas, and give an advantageous connexion with the whole of the northern coast and countries most easily reached from there. I should, therefore, be inclined to favour any reasonable proposal for assisting the survey of that railway through the Northern Territory with a view to the determination by this Parliament on full information of the wisdom of

constructing such a line. At present the Northern Territory is under the control of South Australia. At the very commencement of Federation an offer was made from South Australia to transfer the Northern Territory to the Commonwealth, but after the negotiations had proceeded some few steps that offer was suspended, and has not since been revived. If in connexion with a new proposal for the acquisition of the Northern Territory by the Commonwealth a project for the construction of a railway were submitted by the South Australian Government, it would have the most careful attention of the Government and Parliament of the Commonwealth.

Mr. GLYNN.—With the alteration of the boundary as suggested? That was one of the points which stopped negotiations.

Mr. DEAKIN.—I do not know that it stopped negotiations on our side, because to move the border between South Australia and the Northern Territory north to the McDonnell Ranges is in our view a proper alteration.

Mr. MAHON.—In view of the answer just given by the Prime Minister, do the Government propose to consider the proposal to construct a transcontinental railway to Port Darwin until the State of South Australia has carried out the solemn guarantee entered into by it prior to Federation that it would, by an Act of Parliament, authorize the construction of a railway from Port Augusta to the border of Western Australia? Will the Government consider this matter before the Parliament of South Australia has enacted a measure to which two of its Premiers and all of its leading politicians had pledged the State prior to Western Australia entering the Federation?

Mr. DEAKIN.—I have been endeavouring to deal with this question solely from a Commonwealth point of view. In my opinion it is of great importance to Australia that there should be railway connexions with the West at Perth, and with the North at Port Darwin, and I hope that the consideration of both projects together will facilitate matters.

Mr. FISHER.—A railway to Port Darwin need not necessarily go through South Australia.

Mr. DEAKIN.—It could go by another route.

## INTRODUCTION OF ALIENS.

Mr. KING O'MALLEY. — Has the Prime Minister read a report by the Governor of South Australia on the necessity of importing the dear coloured brother to develop the resources of the Northern Territory? Does the Prime Minister acquiesce in the Governor's declaration as to his coloured brother? If so, will he recommend that His Excellency be sent to New Guinea so that he may enjoy the society of the coloured brother in the coloured brother's country?

Mr. DEAKIN.—I cannot criticise the relations between a State Governor and Parliament; but the honorable member will do well to recollect that what he has seen is a very condensed and possibly incomplete newspaper account of His Excellency's views.

Mr. WILKINSON.—Will the Prime Minister endeavour to obtain copies of the full report for the information of honorable members?

Mr. DEAKIN.—Certainly.

Mr. BATCHELOR.—Will the Prime Minister specially consider the report in relation to the right of State Governors to criticise in detail matters that come within the domain of the Federal authorities?

Mr. DEAKIN.—I will obtain the full report, but until I see it shall be unable to admit that it calls for any consideration at our hands.

## COMMONWEALTH STATISTICAL BUREAU.

Mr. KELLY.—Last week the Minister of Home Affairs promised to look through the correspondence between the Governments of the States and the Commonwealth Government in regard to the creation of a Commonwealth Statistical Bureau, to see if there was any objection to laying a copy of it on the table. Has the Prime Minister any objection to a copy being laid on the Library table?

Mr. DEAKIN.—I understand that the papers have been looked through, but am not aware whether the Minister has made a selection of them. My honorable colleague will probably be able to give the desired information to the honorable member during the present sitting.

## NORTHERN TERRITORY.

Mr. HUTCHISON.—I desire to know whether the Prime Minister has received any communication from the South Australian Government since I asked him a ques-

tion a few days ago with reference to the taking over of Northern Territory by the Commonwealth?

Mr. DEAKIN.—No.

## SILVER COINAGE.

Mr. WILKINSON (for Mr. CROUCH) asked the Treasurer, *upon notice*—

1. Can he make a statement as to the present position of the question of Australian silver coinage?

2. Is it not a fact that as long as the settlement of this question is delayed, the Imperial Government is receiving financial advantage which should come to the Commonwealth?

3. Are not the Australian Mints largely paying the expenses of the gold coinage of the Empire, on which there is a loss; whilst the profitable silver coinage is reserved by the Imperial Government at present?

Sir JOHN FORREST.—In reply to the honorable member, I beg to state:—

1. The Imperial Government on 10th March last was asked to co-operate with the Commonwealth Government in regard to the withdrawal of the present silver coinage from circulation in Australia, and it was urged upon it that £200,000 per annum of the existing silver circulation should be withdrawn and placed in circulation elsewhere than in Australia, instead of £100,000, as previously stipulated by the Imperial Government. It was also asked to agree to cease the supply now forwarded from the Imperial Mint to other parts of the Empire so as to allow the silver withdrawn in Australia to be transferred there.

2. The Imperial Government does make a considerable profit on the coinage of silver. For the Commonwealth to avail itself of such profit, the gradual withdrawal of present currency from circulation would be necessary.

3. A considerable amount of gold coin is annually exported to Great Britain. During 1903-4 there was a net profit made by New South Wales and Western Australia, in connexion with the Sydney Mint of £7,274 2s. 6d., and Perth Mint of £17,545 3s. There was, however, a net loss sustained by Victoria in connexion with the Melbourne Mint of £335 18s. 9d. At present the Imperial Government replaces all worn gold and silver coin without charge in London.

## COMMONWEALTH LABORATORY.

Mr. WILKINSON asked the Prime Minister, *upon notice*—

Whether, in view of the serious losses that are being suffered by the Commonwealth by the introduction and spreading of animal, insect, and other pests, the Government has taken into consideration the advisability of establishing a bacteriological and entomological laboratory under Federal authority; if not, will the Government take the matter into early consideration?

Mr. DEAKIN.—The answer to the honorable member's question is as follows:—

The establishment of such a laboratory will be considered when the encouragement of rural industries has been undertaken by the Commonwealth.

## MORRIS RIFLE RANGE.

Mr. TUDOR (for Mr. CROUCH) asked the Minister representing the Minister of Defence, *upon notice*—

1. At what expense could a country corps establish a small Morris tube range, the land being given?
2. What subsidy would the Department give towards such a range?
3. Do the Departmental rifle shooting experts consider that these ranges serve good purposes in training rifle shots?

Mr. DEAKIN.—On behalf of the Minister of Defence, I have to state—

1. From £10 upwards, according to local arrangements. The cost would depend on the available facilities for protection from weather, and safety to public.
2. As the Commonwealth would have to be treated as a whole, the question of subsidy would probably mean a large expenditure. The Government has this question under consideration.
3. Yes, as an aid to more advanced practice and training in musketry.

## EXCISE ADMINISTRATION.

Mr. LEE asked the Postmaster-General, *upon notice*—

1. Is it a fact that the officers in the Postal Department are required to act as Excise officers in the country districts?
2. Is it a part of their duties to visit hotels and witness the running off of stale beer?
3. If so, will he give instructions to stop this practice?

Mr. AUSTIN CHAPMAN. — In reply to the honorable member—

1. Yes, in some cases by an arrangement made between the Department of the Postmaster-General and the Department of Trade and Customs.
2. When acting as Excise Officers, it is their duty under the provisions of the Beer Excise Act, Section 41, to do so when directed by the Collector, if the beer has become unfit for human use as a beverage.
3. Officers of the Postmaster-General's Department, while acting as Excise Officers, do so under instructions issued by the Department of Trade and Customs, for which they are acting.

## REFUND OF BEER EXCISE.

Mr. LEE asked the Minister of Trade and Customs, *upon notice*—

1. Is a refund of excise allowed to brewers for beer which may go sour in hotels?
2. Will he also allow the same privilege to importers whose goods upon which duty has been paid become unfit for consumption?

Mr. DEAKIN.—On behalf of the Minister of Trade and Customs I have to state—

1. Refund on beer which has become unfit for human use is allowed under the provisions of

Section 41 of the Beer Excise Act, which is as follows:—

Whenever beer upon which the duty has been paid becomes unfit for human use as a beverage before more than one-eighth of its quantity has been withdrawn from the vessel in which it is contained, a refund of the duty shall be made in the manner prescribed, if it is returned in the original vessel to the brewery within ninety days after removal, or if it is destroyed by permission of the Collector. The refund may be made by the issue of stamps.

2. There is no power under the Customs Act to make refunds under the conditions referred to.

## BUDGET.

*In Committee of Supply:* (Consideration resumed from 1st September, *vide* page 1854), on motion by Sir JOHN FORREST—

That the item, "President, £1,100," be agreed to.

Mr. KNOX (Kooyong).—Of all the opportunities that are afforded to honorable members, I think that that presented by the discussion upon the Treasurer's financial policy is the most fitting to select, for doing justice to the various questions of public policy to which it is considered necessary to direct the attention of the Government. I have very carefully perused the Treasurer's financial statement, as reported in *Hansard*, and I think that if it is read, as I hope it will be, throughout the British Possessions, it will create a distinctly favorable impression. The Treasurer was perfectly justified in taking an optimistic view of our financial conditions. An investigation of the Treasurer's figures will, however, demonstrate how little the results which are shown in the statistics supplied by the right honorable gentleman with such liberality throughout his Budget are due to legislation by this Parliament, and how much they are dependent upon the action of a beneficent Providence in giving us excellent seasons during the past two years. It is from that cause that we have benefited more than from any other, and I think it is a reflection upon us that the financial statement contains no proposal which seems calculated to improve the conditions which now obtain owing to the bountiful seasons which we have experienced. There are one or two matters to which I desire specially to direct the attention of the Treasurer. I regret to say that an effort is being made by a certain section of the House—and in this connexion I wish particularly to emphasize the views of the commercial community,

which have been placed immediately before us—to set up a standard of righteousness and exclusiveness which, though it may be theoretically sound, will certainly react upon the honest trader, without hindering the dishonest trader, because of the facilities which exist for evading such legislation. I would further point out that the legislation in question cannot be enforced without employing a small army of inspectors and examiners. I repeat, therefore, that in imposing various legislative restrictions upon commerce and trade—many of them admittedly desirable so far as they secure to our people improved conditions, and a better knowledge of the goods which they may be purchasing or selling—we are subjecting the commercial community to still another disability so far as their relations with other countries are concerned. I admit that the public are unquestionably in favour of honest dealing. They desire that the honest trader shall be protected, and that the dishonest individual shall be punished. At the same time, the continuance of these pin-pricking laws is not conducive to an increased measure of morality. I have already said that the Treasurer is amply justified in taking an optimistic view of our position, and in expecting that the figures which he has so liberally distributed throughout his Budget will be productive of a useful influence abroad. I find that between 1903 and 1904 the trade of the Commonwealth increased by £8,519,000. That result, I think, is chiefly due to the magnificent seasons which we have experienced. For instance, in 1903, the export of wheat was valued at only £181,355, whereas in 1904 it had increased to £5,240,590, and the wool crop, which in 1903 was worth £13,997,000, had increased the following year to a value of £17,115,000. It will be seen that these two items in themselves practically account for the difference between the trade of the Commonwealth during the two years I have mentioned, and thus enabled the Treasurer to take the optimistic view which he did. During the course of this debate reference has been made to the increase which has taken place in our bank deposits. In one of the Budget Papers the right honorable gentleman has given the House valuable information as to our position in this respect. But I do not think that we can regard the increase of deposits in our banks as a very healthy sign. To me it seems rather to suggest that there is an absence

*Mr. Knox.*

of enterprise abroad, and I am perfectly certain that the Treasurer and the Government must realize that it is their duty to ascertain as far as they possibly can, what are the real causes underlying this condition of affairs. During the coming season we shall probably have a still further accumulation of profits consequent upon the larger wool and wheat yields, which are now practically assured.

*Mr. FISHER.*—Is it not a fact that the advances made by the banks are proportionately quite as large as they were previously?

*Mr. KNOX.*—I think I am justified in saying that last year the amount of profits in the banks were quite as high—with the exception of one year—as they have ever been in the history of Australia, whereas the advances showed a decrease. Taking the first quarter of the present year, the advances were equivalent to £81,717,000, whereas in 1904 they amounted to £84,000,000, a decrease practically of £2,280,000. One of the most important tasks to which the Treasurer can usefully address himself is to discover the reasons which exist for this condition of things. I am sure he will recognise that in London the men who handle large financial concerns consider that a moderately tight money market is the most healthy sign of trade generally. In Australia we have an increasing amount upon deposit at the banks, and a decreasing bank rate. On the other hand, men who are accustomed to handle large undertakings here do not exhibit the same desire to engage in enterprise. I make that statement deliberately, although I have no desire to take a pessimistic view of the situation. Indeed, I hold that the optimistic view entertained by the Treasurer is justified by the conditions which obtain all over the Commonwealth. Nevertheless, the right honorable gentleman might, with profit, investigate the reasons which are operating against the production of those conditions which in other parts of the world are regarded as indications of a healthy and prosperous state of trade. I have no desire to labour this subject, but before leaving it I should like to put before the House a return prepared by me in connexion with another institution with which I am associated. The return, which is based on the statistics for 1903—the latest that I could secure—shows that during that year Great Britain imported

£260,000,000 worth of grain, cotton, wool, wine, butter, cheese, leather goods, coffee, tobacco, fruits, currants, raisins, and so forth, all of which can be, or are being, produced within the Commonwealth. Yet, as the House is aware, Australia has but a very small proportion of this great trade. My earnest hope is that the Government will submit proposals by which we, as a great producing community, will be enabled to secure a larger share of it. Whether it be described as "preferential trade" or by any other name, we ought to introduce a system which will so assist our primary industries as to enable us to secure a much larger share of the enormous volume of trade to which I have referred. We should endeavour to give the primary producers of the Commonwealth a larger measure of assistance than we are doing.

Mr. BAMFORD.—These are mere generalities. We should like to know what suggestion the honorable member has to make.

Mr. KNOX.—It is the duty of the Treasurer to deal with this question in detail, and the Government should submit proposals to the House that will enable Australia to supply a larger share of Great Britain's imports.

Mr. BAMFORD.—Does the honorable member think that a Federal land tax would help us?

Mr. KNOX.—I do not; and I trust that it will never be necessary for the Commonwealth to resort to direct taxation.

Mr. MAUGER.—What does the honorable member think will help us in this respect?

Mr. KNOX.—If we repealed some of the restrictive legislation which my honorable friend has supported, we should remove to a certain extent many of the difficulties that at present face us. I find again that the population of Australia in 1904 was 3,984,337, consisting almost equally of males and females, and that the Victorian Government Statist remarks that—

The immigration from outside Australia to Australian States ceased about the year 1891, and since then we have had to depend solely upon the excess of births over deaths for any increase that has taken place in the population.

Mr. BAMFORD.—So that the cessation of immigration dates from the great bank smash.

Mr. KNOX.—I have no desire to reflect in any way upon my honorable friends in the Ministerial corner, because I think their earnestness of purpose is undoubted, but the

honorable member for Herbert must not forget that the cessation of immigration in 1891 was really concurrent with the passing of coercive and restrictive legislation.

Mr. KENNEDY.—The Federal Parliament was not created until ten years after the period to which the honorable member refers, and we did not have even a Factories Act in Victoria until six years later.

Mr. KNOX.—I am simply referring to the historical fact that shortly after the financial crisis of 1891—which was one of the strong factors responsible for the cessation of immigration—we saw the passing of legislation intended to restrict the freedom of trade and commerce, and the direction in which they might be carried on. Much of this legislation was undoubtedly serviceable, but I would remind honorable members, without making any deductions from this fact, that the cessation of immigration was really concurrent with the passing of restrictive legislation by the Parliaments of the several States. It was about that time that the party favouring class legislation obtained control of the Parliamentary machine.

Mr. MAUGER.—The cessation of immigration was the result of the collapse of the land boom, and of commercial corruption.

Mr. KNOX.—I hold that the commercial morality of Australia is equal to that of any other civilized community, and that when we speak of its absence from Australia, we are fouling our own nest in a most unjustifiable way. It is most regrettable that the greatest detractors of Australia should be found among our own people. As one having a knowledge of the political, commercial, and financial life of Australia, I say that we can hold our heads high among the nations of the earth. There is an entire absence of corruption, but unfortunately a number of honorable members, whose honesty of intention cannot be questioned, have been carried away by theories which have not been put to the test, and have supported legislation which has done much to hamper the development of the Commonwealth. It is with regret I find that the Treasurer, who, times without number, both here and on the public platform, has urged the necessity for introducing population to remedy many of the existing evils, has not been able yet to come down with a specific proposal for that purpose. What do I see in the Estimates? We are asked to vote a sum of £200 "for

advertising the resources of the Commonwealth."

Sir JOHN FORREST.—That is to carry out an agreement made with some one by the last Government.

Mr. KNOX.—I am speaking merely of the fact, and not of the occupant of the office.

Sir JOHN FORREST.—It is not a fresh item, so far as this Government is concerned.

Mr. KNOX.—And I am not concerned with the question as to who compiled the Estimates of expenditure. I can only deal with the figures which are presented to the Committee. To promote a great undertaking, we are asked to vote the sum of £200.

Mr. CHANTER.—Does it not represent the salary of Mr. John Plummer?

Mr. KNOX. — It may represent the salary of some gentleman. If we had been asked to vote £2,000, or indeed, £20,000, I think it would have been money exceedingly well spent if properly applied. I am asked to make a practical suggestion as to what should be done. I recognise the limited area of influence allotted to this Parliament. I admit that it can do nothing practical without the assistance of the States. I know that the Prime Minister has made this a live question, but we wish to get away from eloquent speeches. They are certainly valuable texts for us to refer to; but we wish to be afforded an opportunity to consider a substantial scheme which would tend to bring the States and the Commonwealth into practical co-operation for the purpose of inducing a large influx of population. Surely no responsible Government could have before its eyes a greater question than that of ascertaining why people are avoiding Australia and flocking to Canada and the United States and Argentina?

Mr. STORRER.—Because they can get work in those countries.

Mr. KNOX.—There is plenty of work to be done here if proper facilities are given. There is no country in which work can be conducted under better conditions for the worker and with better results than ours.

Mr. MAUGER.—To-day there are hundreds of men out of work who want employment badly.

Mr. KNOX.—There is something wrong, I admit, when that condition of things exists, and it is the duty of the Government

to ascertain the causes of it. If we refer to the statistics concerning private property and individual wealth we shall find a record which is not equalled by that of any other country. I ask honorable members to earnestly consider these facts, and to note the deposits in the savings banks. Of course, it is a regrettable circumstance that there are isolated cases of want of employment, but let any person who has travelled round the world mark the generality of our people, and he will find that they are better clothed, better fed, and better housed than are the people of other countries.

Mr. MAHON.—With more money for gambling, too.

Mr. KNOX.—I regret that failing. But even that fact is an evidence of prosperity. At Show time, and later on, at Cup time, if the season has been good, my honorable friend will see the metropolis of Victoria crowded with persons who have come from the country because of the prosperity in which they have shared. Certainly the question of want of population is one which ought to be faced with firmness and energy by every honorable member until we arrive at a solution of the problem.

Mr. CHANTER.—There is only one way in which the Federal Parliament can deal with the question, and that is to provide work by opening avenues of employment.

Mr. KNOX.—If that is the only way in which population can be attracted here then let the Government come forward with a proposal for our consideration. Do not let us stand idle, but let us take a definite step. Month after month, I might almost say, that Parliament after Parliament has passed by, and we have not yet got away from the stage of machinery Bills. We are still in the stage which ought to have been passed in the first session of this Parliament by putting all the Departments of State in order. We are still engaged upon machinery Bills instead of dealing with measures which would be calculated to increase the prosperity of the community. I appeal to Ministers, in the interests of the whole community, to address themselves to this urgent question with a view to discovering the causes of the lack of population and proposing a remedy. I am sure that if the Government were to submit a rational scheme, in which the States could join, it would be supported by a majority of those honorable members who sit in the Labour corner. I feel perfectly sure that the unanimous desire of the mem-



bers of the Opposition is to get rid of the present abnormal state of things by attracting people to our shores.

Mr. FISHER.—The honorable member knows that they are all welcome.

Mr. KNOX.—Then where is the necessity for an amendment of the section which has done us harm to the extent of millions of pounds?

Mr. FISHER.—Misrepresentations have done us harm.

Mr. KNOX.—I quite admit that there may have been misrepresentations, but we have to realise how our legislation affects the public sentiment of the great community upon which we are dependent for large financial assistance, and for our population. I speak with knowledge when I say that that section has cost us millions of pounds. My right honorable friend the Treasurer has said that it is not true that money has been withdrawn from the country. Probably he is justified from the figures before him in making that statement. But he forgets what our position would have been if the conditions had been different. We should not have been in a stationary position in relation to our banking returns; because from a national point of view we are in a stationary condition. We ought to have made more progress. We ought to have taken advantage of the impetus secured by the consummation of Federation.

Mr. FISHER.—Does not every commercial man admit that we are in a sounder and better position to-day than we were 10 years ago?

Mr. KNOX.—I admit that. I have said as much. But I also say that we ought to have attained a higher level. We ought to have been in a stronger and more flourishing position.

Mr. KENNEDY.—So we should have been except for the ruin brought about in 1890-1891.

Mr. KNOX.—So far as I have been able to ascertain—I was not in the country at the time—the figures show that practically no great change in the economic position of the country was wrought by the events to which the honorable member refers. Practically the volume of business affected was in relation to interchange between individuals. I trust that no such condition of gambling will ever be resuscitated, and that the lessons of that period will be remembered for years. That crisis, however, affected one or two States chiefly. My honorable friend, the member for Boothby, will recollect that

his State had its trouble some years before, and emerged successfully.

Mr. BATCHELOR.—Just as we got on our feet we were knocked back again by the failure of the banks in Victoria.

Sir LANGDON BONYTHON.—Does not the drought largely explain the present position?

Mr. KENNEDY.—No; according to the honorable member, it is all due to the Labour Party!

Mr. KNOX.—To say that the Labour Party brought about all the trouble would be unworthy. I do not accuse them of anything of the kind. No one in this House makes such a charge. I am afraid that, however desirable it may be to prevent a recurrence of the events of 1890-91, the natural tendency of many people is towards such rash speculation as then occurred. I trust, however, that the lessons of that period will be remembered, and that such evils will be averted in the future. We have a great country. I do not wish to be led into any spread-eagleism, but I do hold that no one can travel abroad, visiting such countries as Canada and the United States, and find there conditions which are better than those which we have in Australia, whether for the worker or for the employer. It is expedient that we should do something which will be permanently advantageous in respect of defence. After the excellent speech of the honorable member for Corinella, I will not presume to deal with that subject in detail. But I would impress upon the Government the urgent necessity of starting from the very basis by instructing the boys in our schools in the use of the rifle, and by drilling them. I regret that the Minister of Defence in the present Government occupies a seat in another Chamber, but I trust that other members of the Ministry will use their influence, and that recommendations will be made to Parliament for improving and increasing the strength of our cadet corps. I find that the sum allotted for cadets in New South Wales is £3,500. The previous amount was very small, and it is gratifying to know that the cadet movement, which originated in Victoria, has caught on and is progressing well in New South Wales. I regret that the amount for Victoria, instead of increasing, has been cut down to £3,362. In Queensland the amount is £2,020. In South Australia £800, in Western Australia £500, and in Tasmania £500. After the representations which have been made

by many honorable members on this subject, the Treasurer would have been justified in asking for larger amounts which I am persuaded Parliament would readily have voted. I am glad to find that the Rifle Club movement is progressing in New South Wales, and that the appropriation for this purpose, in the case of that State, is £13,900, as compared with £21,000 in Victoria, £4,679 in Queensland, £7,050 in South Australia, £3,954 in Western Australia, and £605 in Tasmania. I should not attempt or venture to address the Committee on such a highly technical subject as that of defence, but I think every honorable member will agree that it is necessary and desirable to assist the two great movements, namely, the cadets and the rifle clubs. Were it possible—although I know it is not possible under our parliamentary conditions—I think honorable members would be prepared to suggest that the amounts I have mentioned should be considerably increased. I do not propose to deal with other branches of the question of defence, for the reason that these have been dealt with so fully and exhaustively by the ex-Minister, the honorable and learned member for Corinella. There is, however, one inconsistency, to which I should like to refer. Honorable members will observe that there is a larger sum allotted for the rifle ranges in New South Wales than has been allotted to similar institutions in Victoria, although in the latter State there are considerably more members of such clubs.

Mr. WILKINSON.—There are three times as many members of rifle clubs in Victoria as there are in New South Wales.

Mr. KNOX.—I understand that in Victoria there are 19,800 members of rifle clubs; and I trust that, when we come to deal with the items, the Minister representing the Minister of Defence will be able to explain matters, and assure us that the clubs in Victoria are not to be placed in a worse position than are those in New South Wales. Personally, of course, I hope that New South Wales will get the amount allotted, and more, if required; but I claim that Victoria, in this connexion, is entitled to better consideration. After the exhaustive manner in which the sugar bonus has been discussed, I shall not presume to deal in detail with so complicated a question. As with most bonuses, however, those who receive this one regard it as so comforting and desirable that they crave for its continuance; and, in my

opinion, we should probably not be justified, considering the financial position of Queensland, in abruptly terminating its payment. There has been a suggestion that the bonus shall be extended for another five years, but I trust that to this proposal there may be a modification, so that, while the bonus is extended for a slightly longer period, there shall be a gradual reduction, until, at last, it becomes extinct.

Mr. FISHER.—Say twenty years.

Mr. KNOX.—That, I think, would be too long. I should say that we might extend the bonus for two years beyond the present period, and, thereafter, over five years—allowing it to become gradually extinct. That, I think, is a reasonable proposal.

Mr. MAHON.—It is a very generous proposal.

Mr. KNOX.—I think it is a generous proposal. What I want to secure is that the public of the Commonwealth shall see some point at which this bonus will vanish. That, it seems to me, is most desirable; and to secure that end we shall probably have to give way by allowing a little longer time. In any case, when the matter arises for discussion, I shall advocate the gradual extinction of the bonus. We ought to remember that this bonus was granted for the ostensible purpose of, in time, removing the kanakas from Queensland—for the purpose, in short, of securing a White Australia.

Mr. MAHON.—Was the bonus not asked for also on the ground of protection to the local producer?

Mr. KNOX.—I think the ostensible reason was to secure a White Australia.

Mr. FISHER.—Does the honorable member not know that the white grower pays £3 in Excise, and receives only £2 as a bonus?

Mr. KNOX.—I know that.

Mr. MAHON.—And there is £6 protection.

Mr. GROOM.—The white grower does not get the full £6 protection.

Mr. MAHON.—The white grower gets £5 protection, anyhow.

Mr. KNOX.—I wish it to be quite understood that I am fully in accord with the desire for a White Australia. It would be a great disadvantage to the Australian community if, through any neglect, we allowed the introduction of a piebald race. I have, however, held that the kanaka may be serviceably employed in the equatorial

regions, with sufficient safeguards to render groundless the fears raised by his presence in Australia. There is one point which I do not think any honorable member has yet referred to, and it is that we cannot claim that the bonus, so far as the increase in the area under cultivation is concerned, has done what it was expected to do. I have no doubt that these returns were supplied to the Treasurer, but if the right honorable gentleman will look at that dealing with the number of white and black producers and the areas under cultivation with sugar, he will find that in the table submitted this year the areas cultivated by white and black labour respectively during 1902 and 1903 are omitted. There is appended to the table the statement "Information not available." If the Treasurer will consult the papers circulated with the Budget for 1904-5, he will see that the particulars are supplied there, and the blanks in the table now supplied can be filled up.

Sir JOHN FORREST.—What I have supplied is a Customs return, and the Customs Department has charge of the matter. I suppose the figures to which the honorable member refers were found not to be reliable.

Mr. KNOX.—I understand that the figures to which I refer are confirmed by the statistical registrar of Queensland.

Sir JOHN FORREST.—I know I have submitted a Customs Department return.

Mr. KNOX.—Then where were the figures which appear in the 1904-5 tables obtained from? In the return supplied with those tables, the figures are given for 1902, 1903, and 1904.

Sir JOHN FORREST.—In the tables I have submitted, the totals are given, but not the number of black and white growers in 1902 and 1903.

Mr. KNOX.—It is because the totals are given that I think it is significant that figures showing the distribution of white and black labour, and its relation to the acreage cultivated, are omitted from the return now supplied. If the Treasurer will examine the percentages shown in the similar statement supplied with the Treasurer's tables for 1904-5, he will see—

Sir JOHN FORREST.—We give the quantities of sugar produced, and they are of just as much importance as the acreage cultivated.

Mr. KNOX.—I am dealing with one question at the present moment, and I am

trying to show that the payment of these bounties has, so far, failed to increase the acreage under cultivation by white labour.

Sir JOHN FORREST.—The quantity of sugar shown to have been produced must have required the cultivation of a certain acreage to produce it.

Mr. KNOX.—I am dealing with facts, so far as figures can be said to disclose facts.

Sir JOHN FORREST.—It is impossible to produce so many tons of sugar without the cultivation of so many acres.

Mr. KNOX.—I can inform the right honorable gentleman that, according to the table submitted by the Treasurer last year, the percentage for 1902 is given at 37·7.

Sir JOHN FORREST.—Does the honorable member not think that the quantity of sugar produced is the most important consideration?

Mr. KNOX.—The right honorable gentleman must admit that we can look to the action of Providence in sending good seasons in the northern part of our territory for such results. An acre of land will produce a very great deal more in one season than in another, and the Treasurer must agree that, in order to show that the bounty system has been successful, it is necessary to prove that it has been the means of introducing into the Queensland sugar cultivation a large influx of white labour, and has also increased the area under sugar-cane.

Sir JOHN FORREST.—Might I direct the honorable member's attention to the return showing the quantity of sugar produced?

Mr. KNOX.—That has reference only to production.

Sir JOHN FORREST.—Yes; but it shows a considerable increase.

Mr. KNOX.—I wish the right honorable gentleman to understand that I am dealing with one phase of the question, and I wish to show that, contrary to expectation, the payment of the sugar bounties has not resulted in an increase of the area under cultivation with sugar by white labour in Queensland.

Mr. GROOM.—It has been shown conclusively that white labour can do the work.

Mr. KNOX.—I am not dealing with that aspect of the question.

Mr. GROOM.—Still it is a very important aspect.

Mr. KNOX.—I have to inform my honorable friends that, according to the return presented last year, in 1902, the percentage of acres cultivated by white labour was 37·7, whilst in 1905 the percentage is only 37·8.

Mr. GROOM.—The honorable member will recollect that when the proposal was first introduced it was said that white labour could not perform the work at all.

Sir JOHN FORREST.—The figure to which the honorable member refers is only an estimate.

Mr. KNOX.—I thought the right honorable gentleman might say that it was an estimate; but if we take the figure for 1904, the right honorable gentleman will see that the percentage was then only 37·9. There has been no increase in the area cultivated by white labour in the industry as a consequence of the payment of these bounties.

Mr. FISHER.—The ratio of increase is as 2 is to 1 in favour of white labour. That is the actual increase since the institution of the sugar bounties.

Mr. WILSON.—That is not shown by the Treasurer's tables.

Mr. KNOX.—Are we, then, to place no reliance on these tables?

Mr. FISHER.—That is stated in the returns.

Mr. KNOX.—I am quoting from the Treasurer's tables.

Mr. FISHER.—If the honorable member will examine the returns he will find that whilst black labour production has doubled, white labour production has quadrupled.

Mr. KNOX.—I was not able to obtain the assistance of the honorable member for Wide Bay in checking these figures, but I did get the assistance of one or two honorable members who represent Queensland, and they acknowledged that the figures to which I have referred are indisputable.

Mr. FISHER.—From memory, I would say that the production by white labour in 1902 was 12,500 tons. Now, the production by white labour amounts to four times that quantity, and is estimated at 50,000 tons; whilst the production by coloured labour has only been doubled in the same time.

Mr. KNOX.—My honorable friend has only partially answered my contention. I admit that there might be a greater quantity of sugar produced by white labour, but the honorable member must admit that

during the last two years there have been exceptionally good seasons in Queensland.

Mr. KENNEDY.—Were not the seasons the same for white as for black labour?

Mr. KNOX.—Just so; but I contend that honorable members are not justified in quoting the production of sugar per acre. If it is desired to show that any satisfactory results have followed the application of the system of sugar bounties, it must be proved that the area under cultivation by white labour has been extended. If the results per acre are greater, honorable members opposite admit that that is due to the exceptional seasons in Queensland in the last two years.

Mr. FISHER.—Still the ratio of increase is as 2 is to 1 in favour of white labour, and, that being so, we may anticipate that within a very few years the production by white labour will overtake the production by black labour.

Mr. KNOX.—I have taken great care to check the figures supplied, and I shall be glad to hand them to the honorable member for Wide Bay, who, I hope, will reply to them. I find from the figures I have before me that the percentage cultivated by white labour in 1902 was 37·7; in 1903—a large accumulation—51·6; in 1904, 37·9; and in 1905, 37·8.

Mr. GROOM.—Those figures probably refer to the number of registered white growers.

Mr. KNOX.—That may be so.

Mr. GROOM.—Then should not the honorable member include in his return the number of white men employed by those registered growers, in order to find the number of white men engaged in cultivation?

Mr. KNOX.—If the figures are wrong, of course my argument falls to the ground.

Mr. GROOM.—I think the honorable member is referring only to the number of registered growers, and not to the number of white labourers employed in the cultivation of sugar-cane.

Mr. KNOX.—The area under cultivation by black labour was, in 1902, 62·3; in 1903, 48·4; in 1904, 62·1; and in 1905, 62·2 per cent. of the whole area under cane. The fact that the granting of bounties has not increased the acreage under white labour in proportion to the area under black labour needs explanation. I wish now to direct the attention of the Treasurer to the great question of the taking over by the Commonwealth of the debts

of the States, though I do not propose to go into details, because I hope to have the privilege of asking honorable members to consider them on another occasion. I am sorry that the Treasurer has not definitely declared the intentions of the Government in regard to this matter. We have had some expressions of opinion from him as to what should be done, but he has given us no indication of the intentions of the Government.

Sir JOHN FORREST.—Does not the honorable member think that it was a little too soon to expect that?

Mr. KNOX.—The right honorable gentleman might justly have said that he had only recently taken charge of the Treasury, and had not had time to go into this question. He must, nevertheless, have evolved in his own mind some scheme for dealing with the States debts, though, as I have admitted, it would perhaps be asking too much to expect him to come forward with a cut-and-dried scheme. Two Conferences of Premiers have dealt with this subject, and proposals in regard to it have come from various sources, notably from the right honorable member for Balclava, who, because of his long term of office as Treasurer, and his knowledge of detail, could, perhaps, deal with it more conveniently than any other honorable member, and recognised the great difficulties to be overcome. He required, first, full transfer of all debts to the Commonwealth; secondly, full control by the Commonwealth; thirdly, full security for the Commonwealth; and, fourthly, that future borrowings be the business of, and confined to, the Commonwealth Government.

Sir JOHN FORREST. — Not Australian borrowings.

Mr. KNOX.—No; I am speaking of foreign loans, which constitute the bulk of our borrowings. If these conditions were accepted by the States, the difficulties of the task of taking over the debts would be reduced to a minimum; but they are not likely to be accepted.

Sir JOHN FORREST.—It would be necessary to alter the Constitution.

Mr. KNOX. — Constitutional changes would be necessary, but the States would not agree to such conditions unless they felt more secure in regard to the expenditure of the Commonwealth. The constant question of State Treasurers is: "What is the Commonwealth Treasurer going to do with the large amount of revenue which

he will have in his possession if the Braddon provision is not extended?"

Mr. G. B. EDWARDS.—If we take over the debts there will be no margin.

Mr. KNOX.—I admit that. Of course, the Commonwealth could exercise the powers given to it under the Constitution; but any forced measures will prove unsatisfactory, and the co-operation of the States seems necessary to insure success. We shall engender permanent ill-feeling unless we carry the States with us in regard to any arrangement that is made. The proposals of the States are these: First, that their finances shall not be dislocated, which is what they constantly dread; secondly, that they shall retain the management and control of the railways, which are the main security for their principal loans; thirdly, that there shall be a clear definition, within reasonable limits, of the amount which the Treasurers of the States may expect to receive, or be called upon to pay, to make up deficiencies. The States are justified in seeing that they are secured or indemnified against the possible dislocation or upheaval of their financial condition. The points of difference on fundamental principles, therefore, seem to be few. I have carefully studied the reports of the Conference recently held, and those of the previous Conference, and in my opinion there will be no difficulty in removing these points of difference if we can implant in the minds of the Premiers of the States the feeling that the Federal Parliament does not intend to interfere with or to dislocate their financial position. The States Treasurers would like to see the Braddon clause extended for a specific period of fifteen or twenty years, or, alternatively, the allocation of a specific sum out of Customs and Excise revenue for the payment of interest. Neither the Commonwealth Treasurer nor the States Treasurers seem willing to take the first plunge. Each Commonwealth Treasurer formulates some ideas, and, from time to time, the States Treasurers put forward their ideas, and express their fears with regard to the manner in which the States revenue will be affected. We also have people outside making all kinds of suggestions. What we hunger for, however, is some practical business-like proposal for handling this question. Unless some definite step is taken, we shall continue to adopt a much too deferential and unbusiness-like attitude towards the States, and the period for

which the Braddon clause will operate under the Constitution will have expired before any arrangement is entered into for taking over the debts of the States, and thus imposing a check upon the Commonwealth putting to fresh uses the large amount of revenue that will be placed in its hands. This may—I merely say, “may”—offer temptations to the Federal Parliament to undertake new and entirely visionary enterprises. I believe that wise counsels would ultimately prevail to prevent any unseemly extravagance, but it is not business-like to allow matters to drift on as they are doing. The States are entitled to know that their financial position will be rendered secure by a definite appropriation of the revenue which will be placed at the command of the Commonwealth. I would urge upon the Treasurer the necessity of making some definite statement upon this matter, and of dealing with it and the question of increasing our population, as soon as this discussion is closed.

Mr. \*SPENCE.—We could impose a land tax.

Mr. KNOX.—I hope that the Federal Parliament will never impose a tax of that kind, because I believe that, in accordance with the spirit of the Constitution, the States alone should impose direct taxation upon the people. No Federal Treasurer—not even the late Treasurer—would be able to present to honorable members anything more than the ground-work of a scheme for the transfer of the States’ debts. The superstructure will require to be carefully built up after much thought, and in the light of the most complete information if the result is to prove financially successful and advantageous to the people of the Commonwealth, to the Federal Treasurer, and to the States Treasurers. It is idle to expect that we can lay down the lines of a complete scheme without taking into our counsels the masters of the situation, namely, our British and foreign bondholders. We have not taken them sufficiently into consideration.

Sir JOHN FORREST.—The honorable member surely does not expect them to give us anything more than they can help?

Mr. KNOX.—We shall have to consult them.

Sir JOHN FORREST.—I do not think so.

Mr. KNOX.—They are the masters of the situation.

Sir JOHN FORREST.—Not when the loans expire.

Mr. KNOX.—Does my right honorable friend suppose that the large loans for which the States have become responsible can be repaid out of the revenue of the Commonwealth? The loans, when they expire, will have to be provided for by further borrowing, and if the old bond-holders are paid off, new ones will have to supply the funds. Therefore, it appears to me that it would be prudent to ascertain the views of representative men with regard to the situation. I think that the sooner the Federal Treasurer and the States Treasurers come into close and practical business contact, instead of confining themselves to talking at conferences and making various suggestions, the more likely we shall be to arrive at a solution of the difficulty. We should make ourselves acquainted with the financial methods that are followed in Great Britain, and I hold that no satisfaction can be secured unless we enter into consultation with the leading financial authorities in that country. It would be desirable for us to obtain the benefit of the advice of men of the standing of the general manager of the Bank of England, the general manager of the Joint Stock Bank, the manager of the London and Westminster Bank, and other financial authorities. The Treasurer will appreciate the importance of securing the co-operation, assistance, and advice of these gentlemen, who are accustomed to conduct great financial operations. I understand that the right honorable member for Balaclava is about to make a trip abroad to recruit his health, and if he could be induced to extend his visit to London, and ascertain the views of the financial authorities there, he could bring back to us much valuable information. I can assure the Treasurer that honorable members occupying the Opposition cross benches—and, I think, I may also speak for other honorable members on this side of the Chamber—regard this question as too important to justify the introduction of party considerations. The general community do not care what members occupy the Treasury bench so long as we have wise and honest administration. They are at present crying out for practical results from the Federal Legislature, and I would urge the Treasurer to give the question to which I have been referring, and the necessity of increasing our population, his most serious consideration. I shall deal with the details of this subject from an entirely different aspect when I bring forward my proposal for the

establishment of a Council of Finance. I ask the Treasurer to give the suggestion which I am about to make his most earnest consideration. I offer it in the most friendly spirit, and I hope that it will commend itself to the wisdom of this House. I ask the right honorable gentleman to obtain authority from this Parliament—by resolution, or by statute, if necessary—for the appointment of a Commission, consisting of Federal and State representatives, who shall be instructed to frame a scheme for the transfer of the States debts, for the furnishing of the best financial guarantee in regard thereto, and to report as to the constitutional and statutory amendments which may become necessary to give effect to that scheme. I suggest that the Commonwealth representatives on the Commission should consist of the Treasurer, the leader of the Labour Party, the leader of the Opposition, and the right honorable member for Balaclava, and that four representatives should be appointed from the States—one from New South Wales, one from Victoria, and two from the other States, in order that their representation may approximate to the amount of their joint debts.

Mr. CROUCH.—New South Wales should have more representatives than Victoria, if her representation is to be proportionate to the amount of her debt.

Mr. KNOX.—Of course, we cannot secure absolute equality of representation so far as the States are concerned. New South Wales owes considerably more than does any other State. Victoria comes next from the stand-point of her indebtedness, and, consequently, I suggest that one representative should be chosen from each of those States, and two others from the remaining States. We should then have four representatives of the Commonwealth upon the Commission, and an equal number of representatives of the States. I am aware that there is some opposition to my scheme for the appointment of a permanent Council of Finance, inasmuch as it is claimed that the creation of such a body would deprive this Parliament of its direct responsibility. But the Commission which I suggest should be appointed to frame a scheme for the transfer of the States debts, would be equally representative of the States and of this Parliament, and be definite in its purpose.

Mr. WILKINSON.—Representatives of what States?

Mr. KNOX.—The honorable member may bring in all the States if he chooses,

but I have endeavoured to preserve a sort of balance of financial obligation. If effect be given to my suggestion, we shall have upon that body a representative of each party in this House, and those gentlemen will have the assistance of the wisdom and experience of the late Treasurer. The Commission should be directed to formulate a scheme for the transfer of the States debts for submission to this House and to the States. I may mention that other honorable members, whom I have consulted, consider that the carrying out of my proposal would enable us to obtain some practical scheme for dealing with this great problem. The Commission should be given specific directions, and should be required to report to this House within a specified period. If that report were forthcoming early next session, the whole question might then be discussed, and a scheme arrived at which would be satisfactory to everybody concerned. There are various other matters upon which I shall defer comment until we are dealing in detail with the items which appear upon the Estimates. I had no intention of occupying the attention of the Committee for more than half-an-hour, and I am surprised to find that I have absorbed so much time. I am very grateful to honorable members for the consideration which they have extended to me.

Mr. WILKINSON (Moreton).—I propose to make my remarks as brief as possible. It was only quite recently that I decided to speak at all, and I do so now because certain statements have been made which, in my judgment, call for some reply from Queensland representatives. During the course of this discussion a great deal has been said regarding the defamation of Australia. I am entirely at one with those who condemn in the strongest possible terms the individuals who go about the world defaming the country which has made them all that they are, and which has given them all that they have. If there is one part of the Commonwealth which has been defamed more than another, it is the State from which I hail, and to which I am proud to owe my birth. We grumble a good deal about the lack of immigration to Australia, and various reasons have been assigned for the falling-off which has taken place in the influx of people from other parts of the world to our shores. I say that if anybody is to blame for the existing condition of affairs, it is those who are everlastingly

writing to the newspapers—and the newspapers themselves also deserve censure for publishing their statements—declaring that a large part of the Commonwealth is unfitted for white settlement. In this connexion reference was wisely made this afternoon to a report which, according to the newspapers, has just been handed to the Government of South Australia—a report in which a high official appointed by the Imperial Government to preside over one of the States, has departed, it appears to me, from the legitimate prerogatives of his office, and has assisted to circulate slanderous statements. I refer to the Governor of South Australia. Whatever may be the outcome of his report, so far as the Government of his own State are concerned—and it has always been regarded as the duty of the Governors of the States to abstain from interference in matters of controversial politics in the States in which they represent the Crown—I say that when a State Governor not only transgresses in that way, but goes further and interferes in the legislation and the administration of the Commonwealth Government, it is time that a protest was made by this Parliament. If I were a member of the Parliament of South Australia I should be prepared to vote for a motion urging the recall of a Governor who could so far forget his position, as the Governor of that State appears to have done.

MR. CROUCH.—What about the Labour Government who permit him to do such a thing?

MR. WILKINSON.—I shall be very much surprised to learn that the present State Government are prepared to submit to such a thing. So long as we remain an integral part of the British Empire—and I hope that the connexion will continue—I suppose we must have some intermediary between the Crown and the Commonwealth. We have that intermediary in the Governor-General, but we never find him forgetting what is due to the Imperial authorities, or that which is due to the Commonwealth. I know that I do not stand alone in resenting most deeply any interference with legislation passed by this Parliament on the part of a State Governor. I dare say that if all the opinions regarding the unsuitability of the climate of northern Queensland and the Northern Territory for white labour could be brought together and scrutinized, they would be found to have emanated for the most part

from those who have never done a hard day's work in either a torrid or a temperate climate—from men who have generally been supervisors of labour, rather than labourers themselves. There are members of both Houses of this Parliament who have not only lived in northern Queensland, but have done there the hardest day's work that could be carried out in any part of the world, and yet they are among the warmest advocates of the policy of a White Australia. When we go into the sugar districts, as the honorable member for New England claims to have done, we find that whilst the large planters assert that the climate is unsuitable for white labour, the holders of small sugar plantations express a contrary opinion. I must do the honorable member for New England the justice of saying that, in the course of his visit to the sugar-growing districts of Queensland, he appears to have obtained a fairly accurate knowledge of the conditions of the sugar industry. Judging by his speech in this debate, he seems to have made very careful inquiries, and to have endeavoured to secure impartial information; but I would remind him that in investigating this question much depends upon the source from which one seeks knowledge. When we go to the large planter, he will almost invariably tell us that a white man cannot work in the cane-fields, and that the industry could not afford to pay white workers' wages. He is usually prepared to make almost any statement to prove the necessity for allowing this territory to be worked by a cheap and servile class of labour. On the other hand, if we make inquiries from those who are growing sugar by means of white labour—if we ask them as I and other honorable members asked them during the recent parliamentary trip to northern Queensland—we find that they are almost as unanimously of opinion that white men can do the work as are the large plantation-holders that they cannot. Those who are actually working in the cane-fields of northern Queensland tell us that they can not only do this work, but that they prefer it to navvying on railway construction works. If I put it to those honorable members who took part in the recent parliamentary trip to northern Queensland whether they observed any degeneracy in the race, as they went north, I am sure their answer would be that the manhood, the womanhood, and the



childhood of Queensland compare very favorably with those of any other part of the Continent. Prior to that visit of inspection I had not been beyond Townsville; but as we went further north on that occasion I met men and women with whom my early childhood had been spent in the southern parts of Queensland, and found that, although they had been living in the tropics for upwards of thirty years, they looked as fresh, as healthy, and as strong as did any who had spent all their lives in southern Queensland or New South Wales. The women not only looked as healthy and as strong, but the families were as large as were those to be found in the south. Some interested parties have expressed the opinion that the race is sure to degenerate by prolonged life in the tropics of Queensland, and that the natural increase in the population must fall off and eventually almost cease. It appears to me that that has not been the experience of other tropical countries. We find that the most densely populated parts of the earth to-day are those within the tropics. I shall be told, of course, that the people of those countries have coloured skins, but in the root stock I believe they are of the same race as ourselves. If it be argued, as it has been, that only a coloured man can endure tropical heat, and that nature has proved that this is so by placing nearly all the black races within the tropics, I will reply by advancing an argument used by a medical man, whom I shall quote at some length presently, and ask how it is that we find a coloured people in Greenland, one of the coldest of countries, and also in parts of Canada, where the land is covered with snow for six months out of every twelve. I shall reply by asking further how it is that the aboriginal races of Tasmania were as black as the ace of spades; that the Maori, who lives in anything but a tropical climate, is a coloured man; that the Jap is a brown man, and that the Chinaman is a yellow man, although none of these people live within the tropics? I am prepared to admit that there are ailments such as malarial fever, and certain diseases engendered by a parasitic attack, that are almost peculiar to the tropics; but medical science has learned to combat those diseases, and it is the opinion of the medical fraternity that there is no disease more susceptible to treatment than that which is due to a parasite. I would also remind honorable mem-

bers that the malaria of northern Queensland was, fifty or sixty years ago, the malaria of south Queensland and the northern parts of New South Wales, and that it is not uncommon to find malarial diseases, such as fever and ague, occurring wherever new country is being opened up. The early settlers of Queensland and northern New South Wales tell us that malaria was prevalent in the early days on the rivers there just as it is prevalent to-day on the rivers of northern Queensland.

Mr. McDONALD.—The death-rate of northern Queensland is as low as is that of any other part of Australia.

Mr. WILKINSON.—The death-rate for the whole of Queensland is almost as low as is that of any other part of the Commonwealth, and I believe it is very much lower than that of Victoria. On the other hand, the birth rate of Queensland stands at the head of the list. This does not show that its climate is unhealthy; and when I say that the State stands at the head of the Commonwealth in these matters, I practically say that it stands at the head of the world, inasmuch as there are very few countries whose statistics in that respect are more favorable than are those of the Commonwealth. With regard to the varied opinions about the health of Queenslanders, I said I intended to take the liberty of quoting the views of a medical man who has lived at Geraldton, on the Johnstone River, for a number of years. I refer to Dr. T. F. Macdonald, who has lived for many years in what is considered to be the wettest part of Australia. It is said that the white man may stand the heat of a tropical climate, but not humidity combined with great heat. The quotation I am about to read is a refutation of that statement, as well as of others to which I have referred, inasmuch as the experience of Dr. Macdonald has been mostly gained on the Johnstone River, where the rainfall is as great as, if not greater than, that in any other part of Australia. He says—

The climate of North Queensland, correctly understood, and intelligently handled, is not only the best, but absolutely the very best climate in the whole round world. What has given rise, then, to opinions freely expressed at times in political quarters and in the Southern press, that here in North Queensland we, the pioneers of an Australian Empire yet to be, are doomed to toil in a tropical hell? An earthly paradise were surely nearer the mark. . . . While our brothers south of the tropics are being broiled alive, and those of the western tablelands are frizzling under the naked sun, we, in the glorious

north, find the heavens heavy with clouds, the air cool with rain, and drains and back-yards flushed with floods! . . . Man himself forms no exception to the tropical rules of development. It is a matter of simple fact that people under otherwise healthy conditions develop in body and mind in the tropics. The very rapid growth of children, at first sight, appears to be a degeneration rather than an advance; but note the future development of those same tall, slim children born of white parents in hot regions. They grow mostly into young giants, and even as strength comes to the men, so does health and beauty to the women, when a reasonable observance of tropical hygiene obtains in immediate social surroundings. . . . In my experience all races of men, all shades of colour, thrive equally well in North Queensland; and all alike are subject to the one adverse element of the tropics—tropical disease. . . . In so far as tropical disease is mostly parasitic in its nature it obtains alike its virulence and vulnerability. . . . It is thought by some, perhaps many, that Chinese and Japanese are better fitted than white people to work in tropical agriculture. This contention I wish to question very seriously. It seems to me that, without any rhyme or reason, people quickly assume that a coloured skin affords protection against the rays of the sun, and that, therefore, coloured-skinned people are those fitted by nature to do tropical work. By this token then coloured skins are also best for extremely cold climates; for the Eskimo is a brown-skinned man; and again, the aboriginal inhabitants of America and Canada, countries notorious for their cold weather, are red-skinned people. The Japanese, who inhabit temperate climates, on the 40th parallel north, are, again, brown in colour. The Chinese, who barely touch the tropics are yellow; while New Zealand and Tasmania (and he might have added Patagonia and Terra del Fuego), a long way out of the tropics, to the south, were inhabited originally by very dark races. . . . I have touched this coloured question at some length, lest any white settlers be kept away from our truly gardens of Eden from fear of their descendants turning black from the light of the sun. . . . The climate of North Queensland will make women of multitudes of girls now growing into social weeds in and around our cities. However trying our cane-fields may appear, they will be as Paradise to conditions which obtain in the slums and factories of Australian towns. Pure air, hygienic conditions, and a life of hope in the cane-fields of Queensland, will do more to regenerate mankind and womankind in one day, than years of theoretical preaching in the cities! It is sunlight which has given us the mighty scrubs of to-day, as it has, in days gone by laid down the seams of coal. It is sunlight which has given us our white skins. It is sunlight which purifies a poisoned earth, and makes it wholesome and sweet, and good to look upon; and it is the sunlight of Northern Queensland which is destined to come to the rescue of the city slums and the unemployed of Australia. It will lend a hand in the development of the human race, and lay its kindly fingers upon many a poisoned social sore.

Speaking from my own personal experience of the white gangs of cane cutters on the Johnstone River, I can testify to the fact that they flourished in health while at the work. One man, indeed, who came down from the tableland a wreck from

influenza, regained his health and strength while working in one of the gangs. Some of the farmers' daughters on the Johnstone River develop a taste for work in the cane-fields, and enjoy themselves as much as the girls in the harvest fields at home.

That is the kind of work which a little while ago we were told the white man could not do, and which more recently we were told he would not do. White men have proved that they can and will do the work. When some of the objectors saw girls and women working in the cane-fields, where they had said the white man could not work, they cried shame, and said it was not work fit for a woman to do. But they have had to admit that a white woman was able to do the work which they had said the white man could not do. In this, as in other cases, they endeavoured to prove too much. The whole question then is, not the ability or the willingness of the white man to do the work, but the willingness of the employer to pay him a decent wage. Amongst other questions inquired into by the Federal party during their tour in Northern Queensland was the rate of wages paid. When some planters who advocated a continuance of the use of coloured labour in the Northern cane-fields made their representations, they were asked to say what wages they paid, for one of their complaints was that they could not get a sufficient number of white men, however willing they might be to employ them. In reply to their question, the Federal party were told that ploughmen were getting from 17s. 6d. to £1 per week and rations, which were valued at from 7s. 6d. to 8s. Does it appear reasonable that while the planters offer such wages they will induce white men to go and do the work? A ploughman can earn more than that wage in Victoria, New South Wales, and in the southern part of Queensland, and he is not likely to be induced to take up the same class of work for the same pay in the northern parts of the Continent. That the industry cannot afford to pay "white" wages was partly believed in each House of this Parliament when it was legislating on this question. In order that that plea might be met we passed the Sugar Bounties Bill, to enable the planters to tide over the difficulty that we were convinced must ensue in the transition from the one condition to the other. It has been said this afternoon—and by other honorable members during the course

of the debate, and at other times—that the bounty has failed in its object. I claim that it has succeeded splendidly, so far as it has been able to work. I agree with the honorable member for Franklin that it is scarcely a correct way to deal with the matter to take percentages. I am quite certain that, to deal with it as it has been dealt with by the honorable member for Kooyong, is not correct. The amount of sugar produced by white labour, when the bounty began to operate, was 12,000 tons. The estimated quantity to be produced by white labour this year is put down at 52,000 tons. There has been an increase in the quantity of sugar produced by white labour of four and a half times. On the other hand, in 1902 65,000 tons of sugar were grown by black labour. We have now reached an estimate of 107,000 tons; or an increase only of one and two-thirds the amount with which we started. If the same rate of increase is continued proportionately for the next three years, we shall have every reason to congratulate ourselves before the expiration of the period for which the Government have promised to extend the bounty upon having solved the coloured labour question, so far as concerns those planters who are willing and anxious to see the White Australia policy succeed. But some planters in Northern Queensland are so stubborn in their resistance to the White Australia policy, that they have announced themselves publicly as being willing that the whole industry should perish rather than have that policy succeed. I go to the other extreme, and say that I would rather that the whole sugar industry should perish than that the White Australia policy should fail. Because, important as the sugar industry may be, the policy of the preservation of Australia for the white race is, to my mind, of infinitely greater consequence. A publication has recently been issued by Mr. E. W. Cole, of the Book Arcade, Melbourne, entitled "Cotton Culture in Queensland," in which various quotations are made regarding the labour question in the northern parts of that State. Abridged reports of various meetings of the Royal Geographical Society are printed in the work. Amongst others, there is a quotation from a speech delivered by Captain Barclay, who has been for some thirty years or so in the Northern Territory. I was present at the meeting, as was also the Minister of Home

Affairs, and the deputy leader of the Labour Party, the honorable member for Wide Bay; and I think they can bear me out in my assertion that Captain Barclay emphatically stated that, after thirty years' residence in the Northern Territory, he could fearlessly declare that there was no kind of labour that white men could not perform there. But—I mention it as another example of the suppression of the truth on this question—not one single word of that statement appears in the report of the speech in the publication to which I have referred. I also spoke strongly in favour of the white labour movement in Northern Queensland, as did the honorable member for Wide Bay. But not one word of what we said appears in Mr. Cole's statement. In this way facts and statements are suppressed and distorted to suit some end which, in my opinion, is not calculated to conserve the best interests of the Commonwealth or of Queensland. It should hardly be necessary at this time of day to refute statements about the suitability of every part of Australia for occupation by the white race. But we find contrary assertions so frequently and continuously cropping up, that it is necessary to meet them, and that can best be done by giving facts. I will quote the birth-rate and death-rate of various States of Australia, and the excess of births over deaths, as proving the suitability of Queensland for occupation by the white race. I have taken the figures for three States—New South Wales, Queensland, and Victoria—and have selected the last year for which Mr. Coghlan, in his statistical work, gives averages. I find that the death rates for 1903 were: For New South Wales, 11'59 per thousand; Queensland, 12'24; Victoria, 12'90. The birth rate for New South Wales was 28'20 per thousand; Queensland, 29'81; Victoria, only 26'39. The excess of births over deaths was, in New South Wales, 16'61; in Queensland, 17'57; and in Victoria, only 13'49; or 4 per thousand less than the figures for Queensland. In the face of such statistics—which are compiled not by a Queensland statistician, but by one who is, I suppose, one of the ablest statisticians in the world—I do not think that the mere barren assertions of those who are interested in introducing cheap and servile labour into the tropical parts of Australia ought to carry very much weight. In considering this question, and trying to be fair to those who have embarked capital in sugar

cultivation, we have to remember that owing to the State assistance to the industry in the period of its initiation, a number of people were induced to go into it who expected to realize very large fortunes in a very short time, and to return with their thousands to the other side of the world, to live in luxury and ease for the remainder of their lives. They thought that to be a sugar-planter in Queensland meant to live a kind of Arcadian existence, swinging in a hammock under the palm trees, with a kanaka woman, or a coloured woman, or some other woman, fanning him to keep the flies off, whilst low-paid labour was doing the graft in the fields and making a fortune for the proprietor. Induced by such ideas, a number of people rushed into the industry, with the result that many of our large sugar plantations—like some of our Queensland squatting properties, and some in other States—became enormously over-capitalized. Many of them had three rates of interest to be derived from the crop before the profits were reaped; and after the profits were taken the little residue was divided up amongst the labourers who did the work. A very small amount, we may be sure, was left for them. That is one of the reasons why it has been claimed that the industry does not pay. But when we come to consider the yield of sugar per acre, and the price to the sugar-growers, with the cost of cultivation, it may be asserted without fear of contradiction—or, at any rate, without fear of proof to the contrary—that there is no more profitable crop in the Commonwealth than sugar. The bonus, so we understood, was given in order to tide over the change between the employment of coloured labour and the employment of white labour, the employment of coloured labour being made necessary, possibly, by the over-capitalization of the industry in its beginnings. The Queensland Government had allowed the kanaka to be brought in, and this cheap labour, with the consequent huge profits, led to over-capitalization; and when the charges are met now, the margin which is left for the payment of other than the cheapest labour, is small. It would not be just, I think, at this juncture, to make those who went into the industry on those conditions the sole sufferers.

Mr. HENRY WILLIS.—Would the honorable member like to renew the bonus?

*Mr. Wilkinson.*

Mr. WILKINSON.—Yes, for a further term.

Mr. HENRY WILLIS.—Have the growers not been given enough?

Mr. WILKINSON.—I do not think so.

Mr. HENRY WILLIS.—For how long would the honorable member extend the bonus?

Mr. WILKINSON.—I shall deal with that matter presently. The honorable member for Kooyong seemed to be at a loss to account for the small increase of the acreage under sugar cultivation. The explanation is largely that the white grower, who hitherto has, in the main, been a small holder, registered the whole of his farm, and not only that part under cultivation. The table which was quoted by the Treasurer, and which does not go further back than 1904, stands in need of some rectification. The acres under cultivation by white labour is there shown at 45,424 acres, the yield from which was about 39,404 tons of sugar. The acres, it will be seen, number more than the tons of sugar produced, and that is accounted for by the fact that the whole of the farm was registered as cultivated by white labour, whereas a considerable area was not under cultivation. On the other hand, we find that in the same year, 74,375 acres were cultivated by means of black labour, and 105,000 tons of sugar produced. From this it would appear that the results of the black labour were considerably greater than those of the white labour, but the explanation I have already given largely accounts for the figures. If we were to confine ourselves to the area cultivated by white labour, we should find that the yield per acre does not materially differ from that of the land cultivated by black labour. I am certainly in favour of a further extension of the bounty. I should continue the bounty so long as there is a pound of sugar grown by other than white labour in Queensland, and I should do so in order to penalize those who continue to grow by black labour.

Mr. GROOM.—The honorable member would continue the excise?

Mr. WILKINSON.—I should continue the bounty, or increase it and the excise. I do not know that there is much hope of increasing the excise, but the proper course, if we are to reap the full benefit of a bounty, would be to exact the same amount in excise that we do in the shape of duty

on all cane grown by coloured labour, giving back as much as we possibly can of the excise, less the cost of administering the Act, to those who are striving honestly to cultivate their holdings by means of white labour, and to carry out the ideal of a white Australia. Failing that, I welcome the announcement by the Government that they are disposed to extend the bounty for a further term of five years. There has been talk of extending the bounty for twenty years. After any extension I should like to see the bounty wiped out on a sliding scale. Honorable members must not forget that considerable revenue is realized from the excise.

Mr. BAMFORD. — Honorable members forget that fact.

Mr. WILKINSON. — The other day honorable members were pointing out that the Commonwealth had almost reached the end of its financial tether. We are now receiving something over £400,000 in excise duties on sugar, over and above the amount paid back in bounties to the grower; and, if I am correct, we are just about within that sum from the limit of our spending power. If we cease to collect this excise, we shall have to look for revenue from some other source. I listened with great interest and pleasure to the temperate speech of the honorable member for Franklin the other day.

Mr. SYDNEY SMITH.—That speech contained a lot of information.

Mr. WILKINSON.—It did; and it was a speech at which no one could take offence.

Mr. TUDOR. — There was no "stone-walling."

Mr. WILKINSON.—No, there was no "stone-walling." No one can charge me with taking part in either a conspiracy of obstruction or a conspiracy of silence. When I have anything to say, I say it without asking the permission of any one; but I remain silent when, in my opinion, silence will further the business of the country, and I think my example might be copied by some other honorable members. The honorable member referred to the effect which the bounty had on the manufacture of jam, and showed that it paid the jam manufacturers to use imported sugar, paying a duty of £6 per ton, rather than Australian sugar, which pays an excise of only £3 per ton.

Mr. HARPER.—That, of course, refers only to jam for export.

Mr. WILKINSON. — Just so. The manufacturer, who imports sugar for the manufacture of jam for export, gets a rebate of £5, whereas the rebate on the excise amounts to only £2 10s.; and, under the circumstances, we cannot be surprised that the imported sugar should be preferred.

Mr. HARPER.—That is only in reference to jam for export.

Mr. WILKINSON.—It makes no difference. When a man is importing sugar for the purpose of manufacturing jam for export, and he orders that sugar in the bulk, he will use it for the purpose of making jam for home consumption, there being no rebate on sugar used in the manufacture of jam for home consumption.

Mr. HARPER. — Manufacturers will use both classes of sugar.

Mr. WILKINSON.—According to the evidence given by the honorable member for Franklin—

Mr. HARPER.—The honorable member was wrong.

Mr. WILKINSON.—According to the honorable member for Franklin, only one-fourteenth of the amount of sugar he mentioned was Australian-grown sugar. I should be glad if some means could be discovered by which Australian-grown sugar might be profitably used in the manufacture of Australian jam. As, however, the rebate is allowed only on imported sugar used in the manufacture of jam for export, the Australian jam, which must compete in the markets of the world, must be manufactured of sugar that does not pay duty. We should, therefore, while doing no good to our sugar industry, be injuring the jam manufacturers and fruit-growers of Australia materially, if we were to decide not to continue to grant the rebate. I do not see how we are to obviate the necessity for the use of foreign sugar in jam manufacture without injury to the jam manufacturers of Australia and the fruit-growers of the Commonwealth. I suppose there will be a good deal of opposition to the proposed extension of the time for the payment of the sugar bounties, but I ask honorable members, who feel disposed to oppose the proposal, to remember that there are very high principles at stake. From the beginning of the Commonwealth, there seems to have been an almost unanimous opinion, not only

in the Federal Parliament, but throughout the Commonwealth, that one of the greatest ideals which could possess us is that of preserving the Australian race, so far as we possibly can, in its purity, as an European race. It may appear that we are paying a little dearly for our efforts to realize that ideal, but I do not think it can be said that we are paying too much.

Mr. HENRY WILLIS.—The honorable member said that the sugar industry is the best paying industry in Australia.

Mr. WILKINSON.—It would be if it were not handicapped, as I have said before, by being over-capitalized, owing to the inducements held out to people to put capital into the industry under improper conditions. These inducements were due very largely to State encouragement of the industry. I recommend the honorable member for Robertson to secure a copy of the work published by Miss Florence Shaw. When she visited Australia as a representative of *The Times* she went very minutely into this question, and also into the question of the occupation of pastoral lands. What she has said on some matters connected with Australia is not well founded, but what she has to say with regard to pastoral occupation and to the occupation of sugar lands in Queensland is well worthy of perusal and study. She proves conclusively, by tracing the money from the cane-fields back to its source, that it is borrowed and re-borrowed, and that there are heavy brokerage charges, interest charges, and so on, connected with the capitalization of the sugar industry.

Mr. HARPER.—A great deal of the money never came back. We never saw a shilling of it.

Mr. WILKINSON.—How was it swallowed up?

Mr. HARPER.—That is what Queenslanders might tell us. We do not know here. We never saw any of the money come back.

Mr. WILKINSON.—A Victorian who loses sight of his money is a *rara avis*. Victorians have the reputation in Australia of being almost as cute in this respect as Yankees. I admit that we in Queensland have to thank the enterprise and speculative spirit of Victorians for much. We have no desire to deny our obligations to them. We know that they have helped materially in the development of the State. On the other hand, they will doubtless admit that their

trade with Queensland is of very great assistance in the development of Victorian manufactures. The advantage of the association of the people of the two States has been mutual. If Victorians have lost money in Queensland speculations, it is possible that there are some Queenslanders who have lost money in Victorian and in New South Wales speculations.

Mr. HENRY WILLIS.—Are the debentures of the sugar companies held by Queenslanders?

Mr. WILKINSON.—A very large amount of the money invested in the industry came from the old country.

Mr. TUDOR.—Does the honorable member refer to the Colonial Sugar Refining Company?

Mr. WILKINSON.—The Colonial Sugar Refining Company has a number of the plantations, and of the planters also, under its thumb. I refer to that company for a moment in order to emphasize what has been said by the honorable member for Franklin, and by some honorable members on both sides of the House, with regard to the monopoly it possesses, admitting of an annual profit of nearly 20 per cent. I contend that the institution which takes that percentage out of an industry becomes a monopoly, and that it should be taken over by the Commonwealth or by the State, in order that the people who are at its mercy might be rescued from its clutches. If honorable members will notice the half-yearly reports of the Colonial Sugar Refining Company, they will find that it regularly declares a 10 per cent. dividend on capital. That capital has been accumulated in various ways.

Mr. HARPER.—It has been paid up.

Mr. WILKINSON.—I question whether it has all been paid up. I notice that when the company divides £100,000 in a 10 per cent. dividend, it usually carries £90,000 or £93,000 over to the reserve fund. Will the honorable member for Mernda say that £100,000 represents the whole of the annual profits of the company?

Mr. TUDOR.—The company at the present time has accumulated about £500,000 of undivided profits.

Mr. WILKINSON.—I have noted the balance-sheets of the company very carefully for a number of years past, and the annual profits run to something like £190,000 a year.

Mr. HENRY WILLIS.—Why does the honorable member desire to nurse the company any longer?

Mr. MAUGER.—It is a good job that something is paying in Australia.

Mr. WILKINSON.—I repeat that an institution that takes a profit of 20 per cent. out of an industry has become a monopoly which should be taken over by the State.

Mr. HARPER.—The company has never distributed any more than a 10 per cent. dividend.

Mr. TUDOR.—The company lets land to Chinamen, and will not give white men a chance.

Mr. WILKINSON. — The leasing of land to Chinese is a feature of the company's operations which will soon have to be dealt with. I am glad to notice that the State Government of Queensland is moving in the direction of imposing some restriction on the practice. There are a number of other matters with which I should like to deal, but I shall confine myself to one or two of special importance, which the Government might consider when dealing with the establishment of an agricultural bureau, such as was referred to by the Prime Minister this afternoon, in answer to my questions concerning the institution of an entomological and bacteriological laboratory. The honorable and learned gentleman has announced, on several occasions, the willingness of the Government to endeavour to foster rural industries of various kinds for new products. There is, in my opinion, a wide field open to us in this direction. I may mention one or two industries to which some attention might be given. It may be thought, when I mention the cultivation of cotton, that I harp on that industry somewhat unduly. But when we consider the enormous amount of money which is sent out of Australia yearly for cotton goods, the suitability of Australia for the production of cotton, and the possibilities of cotton manufacture in the Commonwealth, the question is one which might well occupy the attention of the Government, with a view to seeing whether it is not possible to establish this great industry. Then I might refer to linseed, flax, and castor oil. Last year, we imported linseed to the value of £5,023; linseed meal, £103; linseed cake and oil, £9,451; and linseed oil, £104,096; the total value of the products of this plant introduced reaching £118,673.

Then, with respect to castor oil, the castor oil plant will grow like a weed from Northern New South Wales up to Cape Yorke. I notice that in Victoria it is grown as a kind of garden plant, but it may be seen growing on the edges of scrubs, in gullies, and ravines, in almost any part of Queensland. Whether the plant can be grown profitably in competition with that grown in India I am not prepared to say. At any rate, it is a fit subject for inquiry.

Mr. HARPER.—The plant would grow well enough here.

Mr. WILKINSON.—Yes; it grows like a weed. I have seen a small plantation of it in Queensland, grown for economic purposes, from which oil of a very superior character was obtained. We import £36,525 worth of castor oil in bulk, besides what comes in in bottles; and the earth-nut, or pea-nut, from which China oil—of which we import £21,869 worth—is obtained, will grow like grass here. We import a considerable quantity from the New Hebrides, where the plant grows, and from India; but neither place is more suitable for it than are some parts of Australia. Indeed, in some places in Australia it has been found difficult to eradicate it. We import £6,973 worth of cotton-seed oil in bulk; and recently I had a letter from Messrs J. Kitchen and Sons, of Melbourne, about some cotton-seed oil expressed from cotton-seed sent down from Queensland last season. A sample area was under cultivation for cotton in Queensland last season, and twenty tons of cotton-seed were sent to Melbourne. The firm to which I have referred forwarded to me a sample of cotton-seed oil cake, and some cotton-seed oil. The fluff had not been removed from the cotton-seed, so that the sample of oil cake in question could not be used for fodder; but I am satisfied that when there is machinery to deal with the seed in the proper way, a good commercial article will be obtained. The letter says—

We are expecting our decorticator to arrive in the course of a few weeks, when we shall be prepared to decorticate the seed, and shall then have a very nutritive cake, more nutritive in every way than copra cake, made from cocoanut. We have received from Queensland this season about twenty-five tons of cotton seed; this embraces the whole of their harvest this year. We are in great hopes that next year a larger area will be grown, and as soon as we can see our way clear to get the required quantity of cotton-seed we have the machinery already here to send over to Queensland to start the manufacture of cotton-seed oil cake and cotton-seed oil. We

are large importers of cotton-seed oil, and if we could get it grown in the Commonwealth, and consequently free from duty, we could use a very much larger quantity of it. To me it seems a pity that the growing of cotton should be so languishing, when it might be made the very largest industry in the Commonwealth.

However, I attach more importance to the value of the cotton fibre than to the value of cotton-seed oil. At one time there was a factory at work in Queensland which employed nearly 100 operatives, about half of whom were males and the other half females. These are some new products which I think might reasonably be encouraged by the Government when dealing with the matter. I congratulate the Minister of Home Affairs on the fact that he has decided to insist, as far as possible, upon the use of Australian timbers for public works. In the past we have been too much given to preferring imported timbers, and are only just realizing the value of a possession which we have been allowing to go to waste, although persons outside the Commonwealth have long ago realized its value, and even the British Admiralty is beginning to recognise the usefulness of Australian timber, as the following cablegram shows—

Australian teak is being tried for the backing of armour plates on the armoured cruiser *Minotaur*, 14,600 tons, 44 guns, which is now undergoing repairs.

When the Tariff was under discussion, it was decided, after a long debate, that Oregon pine should be admitted duty free, because it was needed in the mines; but the following paragraph shows that inquiries for Queensland timber are now coming from Oregon itself—

The Queensland timber exhibit at the Oregon Exhibition has attracted some attention. The Department of Agriculture have a letter from Messrs. J. A. Martin and Company, of Portland, in which they speak favorably of the timber, and ask for quotations. They ask for the price per 1,000 feet delivered at Portland, Oregon, of the following varieties:—Iron-bark, silky oak, silk-wood, hoop pine, maple, red cedar, bean, bunya pine, blue gum, red stringy bark, tallow wood, and quondong.

There seems to be some prejudice against the Queensland hoop pine on the part of the people of the other States, despite the fact that the whole export of Queensland butter, which amounts to 50,000 boxes annually, is sent away in boxes made of that pine, and there has been no complaint about its being tainted or injured in any way. Quite recently the Queensland De-

Wilkinson.

partment of Agriculture made exhaustive tests to determine whether butter stored in boxes made of New Zealand white pine kept better than butter stored in boxes made of Queensland hoop pine. Both freshly-cut and well-seasoned timbers were experimented with, but the result proved the superiority of the Queensland pine over the New Zealand pine. In view of the fact that, under Inter-State free-trade, Queensland has become such a large customer of Victorian produce, not only the products of her soil, but also of her factories, it is not unreasonable to ask that the dairymen of Victoria and New South Wales should, as far as possible, use the timber produced in the northern sister State. I have the report of the Inspector of Public Works in Queensland, with regard to other timbers, but I do not propose to trespass on the attention of honorable members at any greater length, so far as that subject is concerned. I would urge the Government to encourage the formation of cadet corps in all parts of the Commonwealth. Every honorable member who has spoken on the subject of defence has emphasized the necessity of establishing such corps and of beginning the training of our young men for defence purposes in the schools. In this, however, as in other things, there is a disposition to place the burden on the other fellow. We are willing that other people should be drilled and taught how to shoot, but I do not suppose there are many honorable members who ever think of using a rifle. It is hardly to be expected that we shall always be immune from aggression. I believe that, in the event of any attack being made upon us, we shall be able to give a good account of ourselves, provided the means are at hand to enable us to do so. The men will not be wanting, because, if regard be paid to the number of males in the Commonwealth capable of bearing arms, it will be found that we could put a considerable army in the field. But, supposing we were called upon to do any such thing, what arms would be available? According to *Coghlan*, we had, in the Commonwealth, in 1901, when the last census was taken, 1,082,193 adult males, whilst there were also 101,956 males between the ages of fifteen and twenty-one, while the males over sixty years of age numbered 54,813. If we added to the number of adult males the males between the ages of fifteen and twenty-one, and subtracted the number of adult males over sixty years of age, we



should have a total of 1,129,336 males capable of bearing arms. Without taking into account the males between fifteen and twenty-one years of age, or the males over 60 years of age, we should have a total of 1,027,380 males capable of bearing arms. Therefore, we need have no fear, so far as our resources in that direction are concerned, especially when we remember the willingness with which our young men recently volunteered for service in a country not their own. The question is—How could we arm these men? We are spending hundreds of thousands of pounds upon defences, and a very large amount is devoted to scarlet and gold braid, whilst the number of rifles that we have at our command is barely sufficient to arm our ordinary Defence Forces.

Mr. McCAY.—The scarlet and gold braid is paid for out of the pockets of those who wear them.

Mr. WILKINSON.—It costs us a good deal to keep up such a large number of officers.

Mr. McCAY.—No, it does not.

Mr. WILKINSON.—I would not attempt to set my opinion against that of the honorable and learned member, who is undoubtedly an authority on defence matters, and whose recent speech will be read with interest not only throughout the Commonwealth, but also in other parts of the Empire. Still, I think that the honorable and learned member will admit that a good deal of money has been spent upon what may be called ornamentation—in military displays, parades, and reviews, and that kind of thing, which are more ornamental than useful.

Mr. McCAY.—A very small amount is spent upon ceremonial parades; the conditions are much better than they used to be.

Mr. WILKINSON.—In my opinion there is still too much spent in that manner. There may be some use in ceremonial parades, but I think for the most part they are ornamental.

Mr. McCAY.—Ceremonial parades are practically wholly ornamental.

Mr. WILKINSON.—At any rate, whatever amount may be spent in that direction at present might be more usefully devoted to providing arms for those who are willing to bear them, to the encouragement of rifle clubs, and the establishment of cadet corps. If we begin the training of our youths whilst they are attending school,

they will never forget what they are taught there, even though they may afterwards drop out of the Defence Force. Whatever alterations may be made in the drill manuals, they will have such a sound rudimentary knowledge that they will be able, if occasion requires, to quickly pick up their drill at a later stage. So far as drill is concerned, the men could be readily "licked into shape," but they could not be taught to shoot without spending a good deal of time in practice, and without considerable cost to themselves. As an old member of rifle clubs, I know that there are thousands of men in the Commonwealth who, if they had encouragement and facilities offered to them, would be prepared to spend a good deal of time and money in making themselves efficient rifle shots and in otherwise qualifying themselves to act as defenders of the Commonwealth.

Mr. McCAY.—What further facilities would the honorable member suggest?

Mr. WILKINSON.—I should allow the members of rifle clubs a more liberal supply of ammunition at a low price.

Mr. McCAY.—Each man is allowed 200 rounds free, and 230 rounds at half price.

Mr. WILKINSON.—A larger quantity of ammunition might reasonably be allowed, and some alteration should be made in the conditions under which the ammunition is used. I think that at present too much ammunition is expended in firing at fixed targets, lying down, and with all the conditions in favour of good scoring—conditions utterly different from those which prevail in actual warfare. I am glad to notice that many improvements have been made in the direction of the use of moving and disappearing targets, and firing at men's heads and shoulders, but even in the cases in which such objects are fired at, the distances are measured. It is essential not only to teach men how to sight their rifles for certain distances, but to judge distances. The men should be kept moving over the field of fire, and be halted at various points at the discretion of the officer, and ordered to fire at certain objects under conditions which would necessitate the exercise of the marksman's judgment as to distance.

Mr. McCAY.—There is nothing to prevent members of rifle clubs from using their ammunition in that way. They are supposed to use thirty rounds per man for field firing.

Mr. WILKINSON.—It may be that there is nothing to prevent members of rifle clubs from doing as has been suggested, but they naturally prefer to shoot under conditions which will enable them to score the greatest number of bull's-eyes. All old riflemen know how pleasing it is to hit the bull's-eye and see the white disc coming up, and so long as it is optional for men to shoot at fixed or moving targets, they will choose the former. If, however, it were compulsory for them to use a certain proportion of their ammunition in field firing they would become much more efficient for the purposes of actual warfare. I would urge also that more liberality should be shown in the matter of travelling expenses.

Mr. McCAY.—The honorable member will see that better provision than formerly has been made in the Estimates.

Mr. WILKINSON.—In this matter, I think that the States might reasonably meet the Commonwealth. After all, in defending the Commonwealth, we are defending the States. It would cost the latter little or nothing to occasionally carry a few men over their railways. Seeing that the members of rifle clubs are willing to give their time gratis, and to spend their money in defraying part of the cost of the ammunition which they use, in paying markers' fees, entrance fees, &c., the States would be going very little out of their way if they afforded them reasonable travelling facilities, so that they might obtain the firing practice which is so necessary to make them proficient marksmen.

Mr. McCAY.—The tendency of the States is to raise the rates for carrying members of the Defence Force upon the railways, rather than to lower them.

Mr. WILKINSON.—That is characteristic of their action in regard to every Department which has been taken over by the Commonwealth, and notably in regard to the Post and Telegraph Department. Immediately after the accomplishment of Federation the States found it necessary to increase the rates chargeable for the carriage of mails upon the railways, in spite of the fact that there had been no increase in the volume of mail matter. It seems to me unreasonable that the States should complain of the increased cost of administration by the Commonwealth when they know perfectly well that a great deal of that increase is due to the additional charges which they have levied upon the Commonwealth Exchequer.

Of course, it may be said that this all means extra taxation. I am aware that it does. But taxation does not necessarily imply that there is an absolute loss to the taxpayer. For example, a man may pay an insurance premium to protect himself against possible loss; and in the same way I contend that the defence vote in Australia partakes of the nature of an insurance fund. Then, again, an individual who is taxed in order to give effect to some scheme for water conservation, may, as a result of that expenditure, have the value of his property increased ten-fold. The taxpayer is too prone to look at the immediate burden imposed upon him by any State undertaking, and to take no cognisance of the benefits which are likely to flow from expenditure in legitimate channels. I hope that before very long the question of water conservation and irrigation, which was referred to last week by the honorable member for Corangamite—a question which I know the Prime Minister has very close at heart—will become a burning one throughout the Commonwealth. Of course, to make productive portions of the continent which may now be regarded as a desert, would involve the expenditure of much money. But although that expenditure might constitute a heavy drain upon the resources of the Commonwealth at the present time, I claim that it would be abundantly justified, and would eventually be returned one-hundredfold. The Treasurer knows, perhaps, better than any other man in Australia, that a large portion of the interior of this country to which we have been taught to refer as "the Great Australian Desert," is a desert only in certain seasons. Some explorers have described it as a desert, whilst others who have passed through it only a few months later, have depicted it as a land of promise—literally a garden of Eden. If, by the expenditure of money, we can redeem that so-called desert country, and make it available for settlement, I believe with a recent writer in the *Age*, that it is not too remote from our ports to become capable of supporting a very large and thriving population. The land possesses the fertility; it lacks only the moisture. Those who have visited that portion of the country are aware that its river-beds are magnificent in their proportions, and that along them millions of gallons of water annually run to waste to the southern seas. If some of that water were conserved in the billabongs, the lakes, and even in the rivers themselves it might be used to render

productive the land adjacent to it, and to modify the climatic conditions not only of the interior, but of the rest of the Commonwealth, by reason of the greater humidity which would be imparted to the atmosphere, thereby creating greater density in the clouds, and bringing about a greater precipitation of rain than we have at present. However we may differ in regard to the methods which should be employed to develop this country, it is admitted on all hands that one of the great needs of to-day is an influx of desirable immigrants. To this end various projects have been suggested. In the early portion of my address, I endeavoured to show that suitable immigrants were deterred from coming to Australia by the slanderous statements which are constantly being circulated by those who owe their all to the country. I now propose to give my opinion regarding the manner in which desirable immigrants may be attracted to the Commonwealth. Personally, I would go so far as to make land free to any individual who chose to go upon it, irrespective of whether or not he came from abroad.

Mr. MAUGER.—We cannot do that. It is a matter in which the States must take action.

Mr. WILKINSON. — I am aware of that. At the same time, the Commonwealth can indicate to the States the way in which they may assist us to give effect to the very laudable ambition of the Prime Minister. The encouragement of immigration is a matter for co-operation between the Commonwealth and the States Governments. If the States will offer liberal inducements to persons to settle upon their lands, there will be no dearth of suitable immigrants. If we can show that Australia is a country worth living in, and worth dying for, there will be no lack of desirable settlers. On the other hand, if we decry the Commonwealth, and declare that it is a country which is not fit to live in, we cannot hope to increase our population from that source. Though the land which is close to the coast may not be available for settlement, we have only to utilize the waters which are now running to waste for irrigation purposes, and we shall have a sufficient area of productive land upon which to settle as many millions as are to be found in the United States—the great republic of the west. We have as glorious a country as there is upon God's earth, and it will be our fault—not that of others, who do not know what are the conditions

of life here and who do not understand what are the possibilities of Australia in the matter of affording them a better means of livelihood than they can obtain elsewhere—if by means of lantern lectures, and by exhibitions of our produce, we do not advertise the truth regarding it, instead of allowing slanders to be circulated in the populous countries of the world, where people are seeking outlets for their energy and capital. We wish to attract immigrants to Australia, and we can achieve our object by telling them the truth about the country. I desire to see the Commonwealth attracting to its shores streams of immigrants as large as those which are flowing towards the western continent, America. More to be desired than the piling up of wealth by a few individuals is the settlement throughout Australia of hundreds of thousands—nay, millions—of persons who will use their own labour upon the land which they possess. Whether that land be held upon perpetual lease, or whether it be freehold, is a mere matter of detail. We have millions of acres of idle lands. Let us secure millions of hands to cultivate those broad acres. We need then have no fear as to the defence of the country, and shall never be short of a million or two to devote to public works. I believe, with an old heathen philosopher, that that country is best—

Where spades grow bright, and idle words grow dull;  
Where jails are empty, and where barns are full;  
Where church-paths are with frequent feet outworn;  
Law-court-yards weedy, silent, and forlorn.  
Where doctors foot it, and where farmers ride;  
Where age abounds, and youth is multiplied;  
Where these signs are they clearly indicate  
A happy people and well-governed State.

I hope the day is not far distant—indeed, I believe that if the present Government be assisted to this end by honorable members generally, it is almost at hand—when the condition of things which this old-time philosopher has described will be brought about in Australia.

Mr. HENRY WILLIS (Robertson).—The Committee have had the privilege of listening to a very excellent speech by the honorable member who has just resumed his seat. The honorable member dealt largely with the possibilities in the matter of cotton cultivation that confront Australia, and while it is to be hoped that the industry

will be encouraged by the infusion of capital from abroad on satisfactory commercial lines, I certainly trust that no attempt will be made to bolster it up by means of bonuses, although, judging by his remarks with regard to the sugar industry, the honorable member would favour the adoption of that system. This is an occasion on which we should devote special attention to the Budget, and I should like, at the outset, to congratulate the Treasurer upon the very excellent speech he delivered in submitting his financial statement. To my mind, it is the best Budget statement that has yet been delivered in this House. Australia would never have federated, unless it had been shown to the satisfaction of the people that the union would be a financial success, and that upon financial lines the union would be beneficial to every State. In all previous Budget statements, however, little or no attention has been devoted to that point. It appears to me that the momentous question of the consolidation of the States debts, which must occupy the attention of the Parliament again and again until that task has been accomplished, received very little attention from the right honorable member for Balaclava when he occupied the important office of Treasurer. His successor has not only given much prominence to it, but has propounded a practicable scheme that is likely to meet with the approval of the States. The right honorable gentleman has gone further; he has clearly shown that if Australia secured a large influx of population from Europe, her future would be assured, and I feel satisfied that with such an influx, the benefits to which he referred in his peroration as being the result of the progress made by Australia during the last fifty years would be multiplied tenfold. I followed his remarks on this branch of the Budget statement with more than usual interest, for the reason that I had recently paid a visit to Western Australia, and had witnessed the beneficial result of the policy of which he gave us a brief outline. Not only do the Government of Western Australia, like that of the Dominion of Canada, give free grants of land to immigrants, but they have followed the practice of Germany and other continental countries where, by means of land banks, the people are not only placed on the soil, but are provided with the means of successfully engaging in rural occupations. That system has been followed by Western Australia to the extent

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that the State provides settlers with means to work the land given to them. The result is that after a period of some twelve or fourteen years, since my previous visit, I found on travelling through the agricultural districts of that State a few months ago that extensive settlement had taken place, and that there was a remarkable improvement in all directions. I was also informed by the Government land agents that applications for grants were coming in so rapidly that they could not be immediately complied with. All this has been the outcome of the broad and comprehensive policy laid down by the Treasurer when Premier of Western Australia—a policy which he has told us might be adopted with advantage by the Commonwealth. This system of assisting the settler to work his land has been in operation in Canada, and—through the agency of land banks—on the continent of Europe for twenty-five or thirty years, and yet no failure has been recorded against it. If, through the instrumentality of the Treasurer—who, I am sure, has great influence with the finance Ministers of the States Governments—it could be brought into operation as part of the Commonwealth policy, a glorious future would await us.

Mr. BROWN.—It would be called Socialism.

Mr. HENRY WILLIS.—I do not think that it would. It is a well-worn scheme in Canada and other countries, but, unfortunately, owing to a lack on the part of the politicians of the States of that enterprise, that is so necessary to push forward a broad and comprehensive scheme of settlement. Western Australia is the only State of the Union in which it has been adopted. I should like to know whether I am correct in assuming, from the remarks made by the Treasurer in delivering the Budget, that he is in favour of the Government assisting immigration?

Sir JOHN FORREST.—I am certainly in favour of it.

Mr. HENRY WILLIS.—That is a great advance, and it is a very courageous proposition to make. It is one which I thought would not be tolerated by a section of the House, known as the Labour Party; whereas it has been very well received, and has evoked no opposition. The question of immigration is one to which the late Sir Henry Parkes devoted so much attention, when he entered public life, and, to which, apart from Federation, he de-

voted special attention before he died. I am glad to find that it is revived by the Treasurer. If it is taken up with earnestness by the Government, I feel sure that it will receive a good deal of assistance from the several States interested in an influx of population and settlement on the lands. I have heard it said that population is not required, because land cannot be found for the men to work. There is very excellent land in every State of the Union. In the central part of New South Wales there is enough land for millions of people. Many holdings which now comprise millions of acres are found to be suitable for agriculture, and if a system of immigration were established it would bring people here who could settle and make a very fine living, contributing much to the prosperity of Australia. Some time ago, it was the custom to talk about the expenses of Federation. I was in favour of the establishment of the Commonwealth, and I agreed with those who had estimated that Australia could be federated and governed on the basis of an annual expenditure of £300,000. According to the statement of the Treasurer, 2s. 5d. per head of the population is the actual cost of government, the total coming within the estimated limit of £300,000 a year.

Mr. WILKINSON.—Was not that estimate made before Queensland was expected to join the Union?

Mr. HENRY WILLIS.—Possibly it was, and, if so, it will leave a small margin for certain expenditure which must take place when the services outlined in the Budget are taken over. It is satisfactory to find that the "new" expenditure has not exceeded that estimate. The Treasurer paid some attention to the question of taking over British New Guinea. In deciding to accept that Possession, we have undertaken a very great expenditure. We have to provide a sum of about £20,000 a year, while the revenue of the Possession is not sufficient by one-half for its proper government. I believe that some legislation should be introduced by which the Possession should be made self-supporting. From its native products, in its uncultivated state, it supports a native population of nearly half-a-million. This goes to show that when the enterprise of the European is brought to bear very great results may be attained. I hope that the Government will do something in the way of bringing population to the Possession.

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There is one question which stands out above others with which we must deal, and that is, the consolidation of the States debts. Under the Constitution we have power to take over States debts to the amount of £202,000. If these were taken over, the saving which was always promised to the people from Federation, would be effected. On a very rough estimate, we find that it would amount to £1,350,000.

Mr. WILSON.—How would it be effected?

Mr. HENRY WILLIS.—The interest which is paid by the several States averages 3·67 per cent., but with the proceeds obtained from the issue of Commonwealth debentures the debts could be paid off as they matured, with a saving of possibly  $\frac{3}{4}$  per cent.

Mr. WILSON.—But the quotations to-day do not warrant that statement.

Mr. HENRY WILLIS.—This is a matter which has been gone into carefully by financiers, and, while I say that  $\frac{3}{4}$  per cent. would be saved, that is the basis on which the calculations were made when the Conferences sat prior to Federation. Financiers say even to-day that the saving effected would be about  $\frac{3}{4}$  per cent. That is the sum which it is estimated would be saved within the Commonwealth.

Sir PHILIP Fysh.—Does the honorable member mean a saving of  $\frac{3}{4}$  per cent. in interest?

Mr. HENRY WILLIS.—Three-quarters per cent. in the interest on the present bonded debts of the several States.

Mr. ROBINSON.—That would be spread over a period of fifty years.

Mr. HENRY WILLIS.—No, nearly the whole of the debts would be covered in a period of twenty years, and a saving of about £1,350,000 per annum to the States would be effected by the change.

Mr. WILSON.—The honorable member is assuming that we could float 3 per cent. loans.

Mr. HENRY WILLIS.—I am assuming that the Commonwealth would be able to float 3 per cent. loans. There is nothing extraordinary in that supposition when it is remembered that we can pledge the Customs revenue as a guarantee for the payment of the debt. Every debt which is guaranteed in Europe in that way stands at the most satisfactory rate in the British money market. We have exclusive control of the Customs, and we can also raise

revenue by direct taxation. The best possible security could be offered to debenture-holders, and there is little doubt but that we should be able to issue permanent stock on the London market at 3 per cent.

Mr. CROUCH.—That is not the universal rule. The Customs revenue of Greece is hypothecated to English bond-holders.

Mr. HENRY WILLIS.—There is no universal rule. The money market is regulated by the character of the security that is offered. If, for instance, we take the republics of South America, we find that, as the security is of a very unsatisfactory character, the rates of interest are very high. But when I take a country like Australia, with the resources which it is known to possess, and with results such as those stated by the Treasurer; when I consider the amount of trade which is being conducted from our shores with foreign parts, and the amount of private wealth which is held by our people, there is little doubt in my mind but that 3 per cent. stocks would be taken up. If then we were able to consolidate the public debts, and issue debentures for the purpose at 3 per cent., there would be approximately a saving of  $\frac{1}{2}$  per cent. to Australia. That is what was held out to the public when Federation was advocated, and that is what they expect to see realized. Until it is realized the Commonwealth will not have given satisfaction. The Treasurer, in outlining the subject to which I have referred—although I am not quite sure that he has pledged himself exactly to what I have said—does say that there should be an understanding with the States Treasurers that money should not be raised outside Australia by them for internal purposes. We have evidence that money can be raised by the States on Treasury bills on a 4 per cent. basis. It will not, therefore, be very difficult for the States to raise money on short-dated notes in Australia; and such securities would not clash with the stock of the Commonwealth that would be quoted upon the London money market. But there would have to be a reserve of from one-half to one per cent. on the part of the States for the purpose of redeeming, at intervals, part of the £31,000,000 sterling that remains due over the amount that we have power to take over under the Constitution. With that 1 per cent. accruing, there is little doubt but that the selling price of the bonds could be regulated in

London to such an extent as to keep the price fairly level. The tendency would be, under such circumstances, for bond-holders to realize, and take over the Commonwealth security as being better than the security of any individual State. There would be another great advantage in the Commonwealth consolidating the debts. Whilst in England there is power to invest trust funds in Australian securities, it is not availed of to any great extent, because the Commonwealth guarantee is not at the back of the security of the States. The Customs revenue having been taken from the States, financiers in London would much prefer Commonwealth stock to that of the separate States. Australian security is excellent, but the taking up of bonds in England is like the taking of securities in Australia or anywhere else. They are held by large corporations, and in large sums by investors, and are dealt with in the ordinary course of business. Persons going to their agents for investment would have these securities placed before them, with a recommendation; and we can depend upon it that such persons would always prefer the security of the Commonwealth to that of any one State. In time the rate of interest would be much lower, the Commonwealth stock being a better security than a State stock. Nevertheless, the State of Western Australia has issued debentures in London at 3.40 per cent. on the security of Western Australia alone.

Sir JOHN FORREST.—We raised a loan at 3 per cent. at par.

Mr. HENRY WILLIS.—The Treasurer states that Western Australia floated a loan in London at 3 per cent. at par.

Sir JOHN FORREST.—At nearly 101.

Mr. HENRY WILLIS.—That, of course, was when Western Australia had control of the Customs. I take it that that loan was raised to be invested in railways or water-works in Western Australia. The point I was making was that while there would be the Commonwealth security offered to the bond-holders, there would also be a reserve of 1 per cent. This would be an additional inducement for the investor to tender for a large sum of money. The point that I am working up to is that there are hundreds of millions of trust funds in England of which we can never get a penny until we offer the best security available in Australia. The best security available to them is the Commonwealth security. This Parliament, by passing an Act, could make

it a negotiable security; and I take it that the people of Australia will not be satisfied with Federation until such an Act has been passed, and the debts have been consolidated. We hear a great deal about the difficulties involved in taking over the debts of the States. But the more one thinks over the subject, the less difficult the problem appears. To my mind, it has become a question of ordinary performance. There is no need for an alteration of the Constitution. We know that £202,000,000 sterling might be taken over at any time by the Commonwealth, and the balance could be arranged for by the States themselves, and the interest paid periodically as it is paid now. But if we take over the debts of the States, we have an enormous responsibility. How are we to be recouped for this heavy expenditure, covering something like £8,000,000 per annum? It would necessitate an alteration of the Constitution to abolish the system that now prevails, under the Braddon section, of returning to the States three-fourths of the sum raised in Customs and Excise. That, I think, could be easily effected, if necessary; but it might be advisable to wait until the Braddon section has expired, and then not to renew it. The Treasurer's remarks on that point were a part of the Budget speech which I admired very much. I take it that the right honorable gentleman is not in favour of an extension of the period within which the Braddon section is to operate.

Sir JOHN FORREST.—I said that I did not think that an extension of the time would be in the interest of the States.

Mr. HENRY WILLIS.—I quite agree with the right honorable gentleman. I think it would be an advantage to the States to discontinue the section, either by an alteration of the Constitution, or by waiting, and not renewing it on its expiration.

Mr. MAUGER.—The honorable member is becoming liberal.

Mr. ROBINSON.—The honorable member had better join the Labour Party.

Mr. HENRY WILLIS.—I am a free-trader, and no free-trader could ever be in favour of the Braddon section.

Sir JOHN FORREST.—I did not mean that the States should receive nothing from the Commonwealth.

Mr. HENRY WILLIS.—To be fair, I think the Treasurer stated that the States should receive out of Customs revenue a

fixed sum, which is practically the system that prevails in Canada to-day. If we take over the debts, we must have revenue with which to pay interest.

Sir JOHN FORREST.—The Braddon clause would be inoperative then.

Mr. HENRY WILLIS.—That would be so, when the whole of the debts were taken over.

Sir JOHN FORREST.—When the debts are taken over, the revenue will not have to be returned to the States.

Mr. HENRY WILLIS.—I was coming to that. The payment to the States must of necessity cease, because the Commonwealth will want all the revenue to meet the indebtedness. However, the States still say they want part of the money. But the Commonwealth would still be responsible for some hundreds of thousands of pounds—the amount payable on the bonded debt, in addition to that which is now returned to the several States of the union.

Sir JOHN FORREST.—The amount is about £1,400,000.

Mr. HENRY WILLIS.—Quite so; that is the sum the Commonwealth would still be short.

Sir JOHN FORREST.—At the present time?

Mr. HENRY WILLIS.—Yes; and every State of the Union would be largely indebted to the Commonwealth—that is, every State except Western Australia, which to-day raises more than £300,000 a year above the amount necessary for the payment of the interest on her debts. The State of Queensland, on the other hand, would be indebted to the extent of something like £800,000 a year. And I suppose it would be necessary for the Commonwealth to be indemnified for the very large expenditure of, say, £1,500,000 that would be undertaken in addition to the amount of revenue raised from the Customs. Is that not so?

Sir JOHN FORREST.—That is so.

Mr. HENRY WILLIS.—That is the problem we have to consider, and it is one which I, having thought over it for four or five years, think should be grappled by the Commonwealth. If the question be taken in hand, it will not be found to be so slippery as might be supposed by any person who has not thought out the matter thoroughly. It is a matter which may be dealt with successfully and effectively, to the satisfaction of the Commonwealth and every State of the Common-

wealth. The Treasurer has told us that, although the Government have not thoroughly considered the matter, he has given to it much thought, and is prepared to go on with it; and this brings me to the expression of my opinion that the Commonwealth will never conduct itself to the satisfaction of the people until the Prime Minister is also Treasurer. The Prime Minister should have to deal with these questions day after day, in order to become familiar with the financial side of Commonwealth affairs.

Mr. MAHON.—The honorable member assisted to turn out the only Government in which the Prime Minister was also Treasurer.

Mr. HENRY WILLIS.—I was going to make some reference to the fact that the honorable member for Bland, when Prime Minister, was also Treasurer; and I may here say that I thoroughly agreed with the distribution of portfolios in that Government. I may further say that the Government to which I am now referring were very fortunate in having the honorable member for Coolgardie as Postmaster-General; indeed, the Commonwealth has been very fortunate in our Postmasters-General. There has never yet been a bad Postmaster-General; and had the House allowed the honorable member for Macquarie to remain in that position for two or three years longer, I think we should have been able to get enough revenue from the Department to almost run the Commonwealth. The honorable member for Macquarie, when Postmaster-General, must have saved the country about £71,000 a year, and, no doubt, the present Postmaster-General will, in his speech by and by, show us how the scheme then laid down will effect savings in the future.

Mr. GROOM.—What scheme is that?

Mr. HENRY WILLIS.—I suppose that the Government must be reconstructed by-and-by, because it can never go on as it is now doing; and I hope that the Prime Minister will in future be also Treasurer. We shall never have a satisfactory financial statement until the Prime Minister is thoroughly acquainted with all the ins and outs of the finances. When the Prime Minister has carefully considered this question of the sugar bonus, and when he realizes that the sugar-planters of New South Wales are receiving £40,000 a year in bonuses to which they are not entitled, and which they do not want—

Sir JOHN FORREST.—I believe the New South Wales planters do want the bonus, or, at any rate, they do not want to lose it.

Mr. HENRY WILLIS.—I know that the New South Wales planters do not want to lose the bonus, but what I want to say is that they did not require the bonus at the time it was conferred.

Mr. McWILLIAMS.—At any rate, they never deserved it.

Mr. HENRY WILLIS.—Of course, now that the planters have got the bonus, they very naturally do not want to lose it; and why? Because it is all bonus to them.

Mr. AUSTIN CHAPMAN.—Is the bonus not necessary?

Mr. HENRY WILLIS.—There was no coloured labour employed in the sugar-fields of New South Wales.

Sir JOHN FORREST.—The members for the districts concerned seemed very anxious about the bonus.

Mr. HENRY WILLIS.—I repeat that the planters of New South Wales did not want the bonus, but now that they have got it, they, of course, do not want to lose it.

Mr. MAHON.—They did not ask for the bonus.

Mr. HENRY WILLIS.—That is so.

Sir JOHN FORREST.—The honorable member for Richmond assures me that the bonus is very necessary.

Mr. HENRY WILLIS.—I do not think that any representative of that part of New South Wales would dare to come here, and say that it is not a good thing to give the sugar-planters £40,000 a year. I am satisfied, however, that if the Prime Minister, who is a conscientious public man, were also Treasurer, found that the sugar-planters of New South Wales were getting £40,000 a year, chiefly out of South Australia and Tasmania—

Mr. LEE.—The planters pay £60,000 in excise.

Mr. HENRY WILLIS.—I think that if the Prime Minister realized that this money was being paid to men who do not require it, and did not ask for it, he would say that this was a question which should be reconsidered.

Mr. LEE.—The Government have dealt with it.

Mr. HENRY WILLIS.—The question has not been grappled with. Under the Constitution, there can be no discrimination; but it is quite possible for us to say



that the bonus shall cease in five years—that over such a period it shall be a diminishing quantity. It is always hard to get rid of a bonus. If the bonus were continued for five years longer, there would then be an agitation for an extension for another five years. However, if we make it terminable, diminishing as the years go on, we shall get rid of the bonus entirely, and there will be very little fuss about the matter. The planters during the intervening years will be preparing for a new condition of affairs, when the bonus will have ceased.

Mr. LEE.—Would the honorable member also abolish the excise?

Mr. HENRY WILLIS.—I had no intention of speaking on the sugar bonus question, in view of the fact that it has already been very exhaustively dealt with.

Mr. JOSEPH COOK.—And it is also such a touchy subject!

Mr. HENRY WILLIS.—I think I have said enough to show the desirableness of the Prime Minister being also Treasurer.

Sir JOHN FORREST.—A very good idea, I think.

Mr. McWILLIAMS.—How would it be to make the Treasurer the Prime Minister?

Mr. HENRY WILLIS.—I shall put the position that way if honorable members desire. Knowing that the present Prime Minister was not in robust health, I was prepared to hear of a reconstruction of the Cabinet, and that the reconstruction had been in the direction indicated by the honorable member for Franklin. I dare say, however, that the Prime Minister has regained his wonted strength, and will go on for a few months longer. But the Prime Minister cannot possibly go on for long with these problems facing him. The people have had enough of the present position; and they want a saving of £1,750,000 per annum, and a discontinuance of the sugar bonus. They do not want the proposed bonuses for the iron industry. How are we going to raise all this money? We have no means of raising it. If the Prime Minister were Treasurer of the Commonwealth, I am satisfied that he would have none of this talk about bonuses. As I stated earlier in my address, the right honorable member for Balaclava, when Treasurer of Australia, never showed himself equal to the situation. It was not necessary for him to display any ingenuity in raising revenue. It has all been raised for him, and it has been

more than enough. He did absolutely nothing in that direction. If honorable members require evidence of this, I refer them to the right honorable member for Balaclava himself. The right honorable gentleman has been in very ill-health. No sooner did he go out of office as Treasurer than his health improved, but as soon as somebody said to him, "You must make a speech on this Budget," he became ill again. Do honorable members mean to tell me that in such circumstances the right honorable member for Balaclava was a fit Minister of the Crown to have charge of the financial side of Commonwealth administration? He was not. Somebody must say these things.

Mr. BATCHELOR.—What Administration was the right honorable gentleman in?

Mr. HENRY WILLIS.—He was in the Reid-McLean Administration, and in two Administrations before, and it is said that he would have been in the third if he had been asked.

Mr. JOSEPH COOK.—That shows that all parties were glad to get him.

Mr. MALONEY.—If the right honorable gentleman is a sick man, the honorable member should let him alone.

Mr. HENRY WILLIS.—I have no intention of saying very much more, but the *Age* newspaper said a very great deal, and when one is disgusted with the palaver of the *Age*, one must say something. The right honorable member for Balaclava was Commonwealth Treasurer for some years, but he did not grapple with the financial problem. It is not a question of the man himself. No one has greater respect for the right honorable member personally than I have; but I say that, as Commonwealth Treasurer, he was a failure. These financial problems were not grappled with as they should have been.

Mr. JOSEPH COOK.—The right honorable member tried very hard to grapple with them.

Mr. ROBINSON.—The right honorable gentleman did his best to grapple with them.

Mr. DEAKIN.—The right honorable gentleman did as much as any living man could to grapple with them.

Mr. HENRY WILLIS.—There was a Conference of Treasurers held in Melbourne, and only the other day we had another Conference held at Hobart. The late Treasurer made a proposal at the Conference held in Hobart, but he was quite

satisfied to come away after having failed in his object.

Mr. ROBINSON.—The right honorable gentleman tried his best to succeed, and it was the cantankerous Premier of New South Wales who made all the trouble.

Mr. HENRY WILLIS.—The Commonwealth Treasurer is a responsible Minister. If he is satisfied that a certain course should be taken, he should leave office unless that course is followed.

Mr. DEAKIN.—He could not coerce the Premiers of the States by leaving office.

Mr. HENRY WILLIS.—I was leading up to that. Are the Premiers of the States forming this Federation, to be consulted upon these Commonwealth questions?

Mr. ROBINSON.—We cannot take over the States debts without their consent.

Sir JOHN FORREST.—Yes, we can.

Mr. HENRY WILLIS.—I am told that we cannot do these things, but we have full power under section 105 of the Constitution—

Mr. ROBINSON.—With the consent of the States.

Mr. HENRY WILLIS.—We can take over £102,000,000 of States debts accumulated up to the time that the Federation was established.

Mr. DEAKIN.—Hear, hear.

Mr. HENRY WILLIS.—We are unable to take over the £31,000,000 of States debts since incurred, even with their consent. Before we can take them over we must have the consent of the people of the Commonwealth to an alteration of the Constitution for the purpose. That is the position. At these Conferences the States have been consulted as to what we should do. The people of Australia have intrusted us with the conduct of the financial affairs of the Commonwealth, and are we to go to the States Ministers, when they represent individually a smaller section of the people than we do, and ask them what we shall do? They say—so I am told here—“We will not allow you to do certain things.” But the fact is that they should not have been consulted at all. The Commonwealth Government has, I presume, a financial policy.

Mr. McWILLIAMS.—Does the honorable member not think that we have a right to consult the States Premiers?

Mr. HENRY WILLIS.—No, none whatever. They should not be consulted; we represent the people of Australia.

Mr. McWILLIAMS.—I am afraid the honorable member will not find many agreeing with him in that suggestion.

Mr. HENRY WILLIS.—It is a matter of no consequence what individuals think. Do we not know that the people of Australia determined that there should be a Federation of the various States, and that under the Federal Constitution the Federal Government should have control of the Customs revenue, with the power to raise revenue by direct taxation in order that the whole of Australia might be governed in a uniform manner? Our Government is so uniform that in one instance we gave £40,000 to New South Wales when we knew that that money was not required by that State. It was given in order that legislation should be uniform as affecting Queensland and New South Wales. We have our powers under the Constitution, and we do not require to go to Conferences to ask the States Governments what we should do. We know how precarious are their political lives. Two States Governments have already gone out of power since the Conference has been held at Hobart. Why should we go to them for advice as to what we should do when we do not know that they have the confidence of their own Parliaments? Why should we ask them what we should do in Commonwealth affairs and in connexion with great financial questions—the very questions upon which Australia was federated? Amongst those questions was that of the taking over of the debts of the States. The States Governments say—“No, we want you to raise our revenue for us.” No public man displays pluck who thinks of raising all his revenue from one source. It is the willing horse once more, and we go to the poor man, tax every commodity he uses, and raise our money in that way. We should say to the States of the Union, “If we take the responsibility attaching to the transfer of your debts to the extent of £8,000,000 yearly, we must handle the Commonwealth revenue from Customs and Excise.”

Mr. MAHON.—And perhaps railway revenue.

Mr. HENRY WILLIS.—That is another problem, but we should say—“We will control these matters, and as you will pay only once, and you will not have to disgorge £8,000,000 a year, you will be able to raise any deficiency which may arise from your revenues from some other

source. The Treasurer mentioned that point when he said that if people have not to pay money, it remains in their pockets. I say definitely that I am not in favour of these Conferences. Why should we go to the States to ask them what we should do in Commonwealth affairs?

Mr. DEAKIN.—They may appeal to the Arbitration Court against us.

Mr. HENRY WILLIS. — The Prime Minister is not of that opinion. The last Government has passed away. That Government did a number of things to which I might refer if time permitted, but it must not be forgotten that it was a coalition Government. I might say that the Government now in power came into office under very excellent auspices. They came in with a possible majority, quite apart from the labour section of the House, if they submitted progressive non-contentious legislation. There was no coercion on this side. It was never once intimated to me that I might not support any particular measure. The Government has, however, brought in certain measures which I do not feel that I can support. Before concluding, I think that I should say something upon the question of defence. I hold that it is not at all necessary that the Minister of Defence should be an expert in the profession of arms. We have not yet had a professional man in that position, and it will be better for the Commonwealth if we never have such a man as Minister. In the last Administration, however, we had at the head of the Defence Department an amateur military man, who evidently had imbibed all the extravagant ideas of the expert. He made a long speech last week, which secured for him a good deal of praise outside the Chamber, and a certain amount of kudos among some honorable members. I followed that speech with considerable interest, and was very much pained to find the honorable and learned member posing as an expert in military affairs. Shortly after the inauguration of Federation, the Commonwealth engaged a gentleman of high military reputation and wide experience, who had seen active service in South Africa, and who had served both in Canada and New South Wales with great success, to place our military affairs on a satisfactory footing. He was here for some time, and before leaving issued a very long report, in which he estimated that the expenditure necessary to place our defences on a war footing was £525,000. The honorable

and learned member for Corinella, the other evening, had a great many comments to make upon that report of Sir Edward Hutton, and seemed inclined to disparage it, notwithstanding the fact that the Major-General gave general satisfaction in the work of organizing the forces of the Dominion of Canada, had previously carried out similar work in New South Wales, and had been practically loaned to the Commonwealth for the same purpose. Major-General Hutton had nothing to gain by attempting to please those who rule the Commonwealth. He was a man of independent means, and of equally independent character and standing. Although he pledged his great reputation on the statement that £525,000 was sufficient to put our defences on a proper footing, this amateur military man, the late Minister of Defence, who follows another profession than that of war, and knows something of a great many things other than military affairs, went so far as to suggest that the necessary expenditure had been under-estimated to the extent of nearly £800,000. When he was asked by the Treasurer if that amount was arrived at on expert evidence, he said that he would take the responsibility for the statement. This is an extract from that part of his speech in which the matter is referred to:—

Major-General Sir Edward Hutton proposed to spend £525,000 to place the equipment of our forts upon a war footing. The Government thought at the time that it would cover everything. He (Lieut.-Colonel McCay) wished that it would. But apart from Major-General Sir Edward Hutton's scheme, he had a little list comprising items that would involve an expenditure of £800,000.

In reply to an interjection by the honorable member for Grey, he stated that we could not do what was wanted out of revenue—that is, we could not obtain an additional £800,000 from our Commonwealth revenue—

To get into a proper position, the Commonwealth should take the bull by the horns, and obtain the necessary funds by an issue of Treasury bills repayable in the course of five or ten years.

He advises the Government to adopt a scheme which will increase our military expenditure by £800,000. He would raise the necessary money by Treasury bills, payable in five or ten years. But during his speech he stated that guns purchased now would be obsolete within that time, therefore, when the Treasury bills fell due, we should require another set of guns to

replace those which he would buy now, at a cost of another £800,000, or more. As we should have to redeem the bills as they fell due, our expenditure in principal would be £100,000 a year, and in interest £30,000 a year. There is no economy in an arrangement that would involve the Commonwealth in an annual expenditure approximating the amount now paid in bounties to the Queensland sugar-growers—an expenditure which bears very heavily upon the impecunious States of the Union. It is about time that the Government put up a responsible Minister who has been in charge of the Department of Defence to reply to the speech of the honorable and learned member for Corinella. That speech was applauded by Government supporters, but I should like to know from them if they think that the expenditure he recommended is absolutely necessary for the defence of Australia, and to offer protection to British ships visiting these waters?

Mr. KENNEDY.—The Defence Estimates are practically those of the ex-Minister of Defence.

Mr. HENRY WILLIS.—Yes. He took a great deal of credit to himself for them, patting himself on the back, and saying that every line of the Estimates but one, had been passed by him. If that one line, about which he made a minute, had been adopted by the Government, he would have taken definite action. Now, however, he says that the Government should expend another £800,000.

Sir PHILIP FYSH.—I did not understand that.

Mr. HENRY WILLIS.—I have it here in print. Major-General Sir Edward Hutton's estimate is £525,000, but, in addition, the late Minister had a little list costing £800,000, and involving an annual expenditure of £30,000 in interest and £100,000 for the redemption of the Treasury bills. I think it is only due to us that some Minister should express the views of the Government with regard to the speech of the honorable and learned member for Corinella, which has been received with a good deal of approval. We should know whether any such sum is necessary to make provision for the proper defence of Australia, to meet the requirements of the British fleet in these waters, and to protect our trade.

Sir GEORGE TURNER.—I am sorry to say that such an expenditure will be absolutely necessary if we are to have an adequate defence.

Mr. HENRY WILLIS.—That is a very guarded statement. The honorable and learned member for Corinella went further, and stated that we could not do what was required out of revenue. He said the Commonwealth should take the bull by the horns and raise the necessary funds by means of Treasury bills, redeemable in five or ten years. He advised the Government to do what he was not prepared to recommend when he himself was Minister of Defence. Only an amateur would speak in that way. I would not presume to offer an opinion upon military matters, because I am not an expert. It is because we are not experts that we employ the best available men to advise us, and yet we find an honorable and learned member who is an amateur in military affairs coming here with all the swagger of a Major-General, and posing as an expert. He says that he will take the responsibility of recommending the expenditure of £800,000, which is to be raised by the issue of Treasury bills, redeemable at the rate of £100,000 per annum, and involving an annual charge for interest of £30,000. The proposal appears to me to be outrageous. It has received the commendation of the *Age*, but that is of no particular value. That newspaper commends the honorable and learned member to-day, but it may denounce him to-morrow. A great deal of notice is taken of that newspaper, which, although it has no responsibility, influences the legislation passed by this Parliament. This is undesirable, because the Government, who are responsible, should frame their policy and carry it out independently of the *Age*, or any other newspaper.

Mr. CHANTER.—Will not the honorable member's remarks apply equally to other newspapers?

Mr. HENRY WILLIS.—In other cases I think the newspapers are well and ably conducted. I should like to make one more reference to the proposal of the Government to encourage immigration to Australia. We have all heard of the good old days when colonists had the strongest faith in the future prosperity of Australia, and took care to select immigrants from the agricultural classes of England, Ireland, and Scotland—men of honesty and integrity, and

among the best in the Kingdom. These men laid the foundation of our settlements here. It is well that we should go back to the good old policy of selecting agricultural immigrants, and providing them with land. In Western Australia the Government are giving 160 acres of land to any man who will apply for it, and we should bring pressure to bear upon the other States Governments to offer similar inducements to go on the land. In New South Wales, hundreds of thousands of acres of cultivable land, superior to anything I saw in Western Australia, are locked up in leaseholds, and it is desirable that steps should be taken to have these lands thrown open for agricultural occupation. In Queensland, also, millions of acres of land suitable for agricultural purposes are being thrown open weekly; but, unfortunately, settlers upon such land would labour under certain serious disabilities.

Mr. SPENCE.—How would the necessary water supply be provided?

Mr. HENRY WILLIS.—The honorable member has touched upon one of those disabilities. By boring operations, artesian water is to be tapped in that country. What becomes of all the water which flows into the Darling from the vast watershed?

Mr. CHANTER.—It finds its way into the sea.

Mr. HENRY WILLIS.—A great volume of subterranean water will be found running to the sea in the direction of Port Macdonell, also to the Gulf of Carpentaria. As a boy, I have seen little pot-holes in the neighbourhood which were said to be absolutely bottomless. Is not the Blue Lake at Mount Gambier said to be unfathomable? But, of course, it is not. These pot-holes cannot be bottomed on account of the under-current caused by the waters which are running to the sea. If we tap those waters, we shall have—as the honorable member for Darling has said—little rivers running in all directions through this arid country.

Mr. SPENCE.—There is no artesian country in the neighbourhood of Mount Gambier.

Mr. HENRY WILLIS.—If the honorable member is acquainted with Mount Gambier, he will know that although it possesses a magnificent rainfall, subterranean waters are to be found there, running in the direction I have indicated.

Mr. SPENCE.—Miles of them.

Mr. HENRY WILLIS.—Yes, there are scores of miles of them, extending as far as Kingston, on the north-west, and as far north as Narracoorte. That country is so fertile that £1 per acre rental is very frequently paid for it. After artesian supplies have been tapped in the States mentioned, an agreement might be arranged between the Commonwealth and representatives of the States for the purpose of determining what legislation should be enacted to make this land available to desirable immigrants.

Mr. CHANTER.—Let us get the land first.

Mr. HENRY WILLIS.—Land is already available. Within the past month the Premier of New South Wales stated that there was plenty of land available for settlement at the present time, and that some of it was being offered to intending settlers in London. As a matter of fact, many of these men are already on their way to Australia. When Mr. Carruthers was asked by a representative of the Labour Party whether he would give a preference to applicants for land who were already in Australia, he replied, "The land is available now. If they want it, let them apply for it. If they do not want it, an opportunity will be given to desirable immigrants to select it. It will not be reserved for the dead-beats who live upon the benches in the Sydney parks."

Mr. CHANTER.—Does not the honorable member know that land in New South Wales is so scarce that within the past three weeks there were over 1,100 applicants for one block comprising 100 acres in the neighbourhood of Wagga?

Mr. HENRY WILLIS.—I know that under the abominable ballot system which obtains in New South Wales, more than 1,100 men applied for a block of land, and had to await the result of a ballot before one of them could obtain it. Is that the way in which to settle people upon the land?

Mr. THOMAS.—What way would the honorable member suggest?

Mr. HENRY WILLIS.—I would have no ballot at all. All other conditions being equal, the first applicant should be given a preference.

Mr. THOMAS.—Who would decide as to who was the first applicant?

Mr. HENRY WILLIS.—I hope that we shall always have responsible Ministers who are above suspicion. If the States Governments make land available for settle-

ment, there will be no dearth of settlers. We are told that this Government will assist to bring immigrants to Australia. If that be so, I hold that a new era is about to be inaugurated—an era in which, instead of losing population, we shall increase our population to a greater extent than is possible under existing conditions.

Mr. THOMAS.—Does the honorable member attribute all the evils of which he complains to the balloting system?

Mr. HENRY WILLIS.—Evidently the honorable member does not treat this matter seriously. He is not a native of Australia, and would not be here had he not been pressed out of the large centres of population in the Old World, where it was difficult to exist. The honorable member has sought “fresh fields and pastures new,” where he imagines there is a better future in store for him. Will he not extend the same opportunity to his friends in the old world who would make equally good citizens with himself? The time will come when he will have to devote some attention to this question. The miners of Broken Hill will not always be able to return him to this House, and, unless he bestows some attention upon the political affairs of the Commonwealth, the people will tire of him. I compliment the Treasurer upon his Budget statement. It was the finest that has been delivered in this Parliament. At the same time, I think that it would be very much better if the Treasurer of the Commonwealth also filled the position of Prime Minister, for reasons which I gave in the earlier portion of my address.

Mr. BATCHELOR (Boothby).—The honorable member for Robertson has made some most interesting observations. One of his statements was that the Government possess a majority in this House, quite independently of the Labour Party, which means that they have a very considerable majority indeed. Under such circumstances, we may hope for a very speedy conclusion of the pressing business of the session. I did not altogether agree with the honorable member when he roundly rebuked the ex-Treasurer, the right honorable member for Balaclava, for having consulted the States Governments upon the question of the transfer of the States debts. It seems to me that that question, above all others, is one upon which the States have a right to be consulted. In dealing with the consolidation of the States debts—a question that has occupied

a prominent position throughout the debate—the Treasurer said that the chief objection to the extension of the Braddon section was that it led to friction and to charges of extravagance being levelled against the Commonwealth by the States.

Sir JOHN FORREST.—I do not think I did. What I said was that if all States loans had to be raised through the Commonwealth there would be friction.

Mr. BATCHELOR.—I think that the right honorable gentleman is under a misapprehension. Whether or not he made that statement, however, is a matter of no moment, for, in my opinion, the conditions arising under the Braddon section—the inter-dependence of the States and the Commonwealth—must lead to a certain degree of friction. The chief objection to that provision in the Constitution lies in the fact that it hampers the Commonwealth, inasmuch as under it we have to raise four times as much revenue as we require. It is said that the Braddon section protects the finances of the States, and, under existing conditions, it certainly does to some extent. There appears, however, to be a tendency in certain quarters to regard it as a fetish, which must be preserved at all hazards. I, for one, fail to see what special guarantee is afforded through its agency to the States. As a matter of fact, the guarantee which it offers from the point of view of the States Treasurers is not half as good as that which would follow the adoption of the proposal made by the Treasurer that the Constitution should be so amended as to provide that a fixed sum should be necessarily returned, *per capita*, to the States. The Braddon section merely provides that three-fourths of the revenue raised by the Commonwealth shall be returned to the States. It does not declare what sum shall be annually raised by us. That being so, if we had a real free-trade party in a majority in the Parliament, this so-called guarantee would go for nought; a provision that three-fourths of nothing should be returned to the States would not be of much value to them. The position would be the same if we had an out-and-out prohibition party in power. I question, however, whether there is such a party on this side of the House, or whether there is a truly free-trade party in opposition. If the proposal made by the Treasurer were carried out, it would afford far more protection to

the States than would the continuance of the Braddon section.

Mr. ROBINSON.—How would the honorable member meet the exceptional case of Western Australia?

Mr. BATCHELOR.—I do not think that Western Australia would be seriously affected.

Sir JOHN FORREST.—At the present time the *per capita* distribution would mean a difference of over £400,000 a year to that State.

Mr. BATCHELOR.—The Treasurer of course recognises that the disparity is growing less as the conditions of Western Australia are becoming normal.

Sir JOHN FORREST.—It will take some years to remove it.

Mr. BATCHELOR.—I believe that it will. I should not be prepared to support the repeal of the Braddon section unless we substituted for it something that would afford the finances of the States a reasonable protection. To my mind this question is so inextricably involved with that of the transfer of the States debts that we need not be greatly concerned about it. With the taking over of the States debts the Braddon section would become inoperative, because, as has already been pointed out, the whole of the Commonwealth revenue would not be sufficient to pay the interest on those debts.

Mr. ROBINSON. — The balance would have to be raised from the States.

Mr. BATCHELOR.—The question of the means by which it should be raised would be a matter entirely for the consideration of this Parliament. I think that the Treasurer observed that there was not much force in the objection that by at once taking over the whole of the debts of the States the Commonwealth would enhance the value of the present stocks to their holders, inasmuch as we should be sellers. We must recognise, however, that we cannot hope to at once convert all the debts of the States. That must be a gradual process, each debt being converted as it falls due. It would be impossible to induce the holders of the stocks of the States to give them up in return for a Commonwealth issue, unless we could give them something that would be more advantageous to them than are their present holdings; but if we were to give them something more valuable than they now have, what benefit would be reaped by the Commonwealth? In these circumstances we must

realize that we shall only be able to take over the States debts as they fall due, and to raise fresh loans on better terms than the States individually could obtain. I wish to say a few words on the method in which the bookkeeping sections of the Constitution are administered. For the first two or three years all new expenditure was debited against the State in which it was incurred. Under that practice, for instance, South Australia had to bear not only the cost of a telegraph line to Tarcoola, amounting to £10,000, but also the loss on the working thereof. That, I think, was a perfectly fair and clear position. So long as the bookkeeping system is retained, it should be administered in its integrity. But since then we have had a different system under which the cost of additional advantages in connexion with the transferred departments has been debited, not against the States concerned, but against the Commonwealth on a *per capita* basis. Two or three years ago the late Treasurer introduced the practice of debiting the cost of new works against the Commonwealth, and the present Treasurer has gone somewhat further in that direction. The bookkeeping system as now administered is full of most absurd anomalies. The Estimates contain an item for a telephone line from Sydney to Melbourne, and an item for an additional telegraph line from Melbourne to Adelaide. The revenue will, of course, be credited, not to the Commonwealth, which erects the line, but to the States concerned. That is a very anomalous position, when in each case the line will run parallel to, and be worked in conjunction with, a line which was erected by the States. Assuming for a moment that all new works were built out of loan funds, and not out of the general revenue, the Commonwealth would erect a line, and pay the interest on the outlay, while the total revenue would be credited not to the Commonwealth but to the States. That is the extraordinary position we have got into. Then, as regards replacements, I am never quite sure where I am. In looking over the Estimates, it is difficult to know whether a work is to be undertaken on a *per capita* basis or debited against a particular State. Originally the States felt a special interest in keeping down the expenditure on new works therein. The Government of Queensland, for instance, sent a very pressing request to the Federal Government to keep down the

expenditure on new works therein to the lowest possible figure consistent with the proper working of the Departments, and the Commonwealth Government acceded to the request. Now, any such proposal would be absurd. It would be to the advantage of the Queensland Government to get as much as possible out of the Commonwealth, because the greater part of the cost of a work would be borne by the other States.

Mr. KENNEDY.—Queensland again!

Mr. BATCHELOR.—I simply instance Queensland because it made that special request. Of course, the argument applies to all the other States. The Treasurer said that the bookkeeping system could not be abolished at once, because it would cripple Western Australia as compared with the other States. I admit that it could not be abolished straight away without in some way or other indemnifying the States for the losses which they would sustain. A sliding scale would have to be adopted, so that the discrepancies and disparities might gradually disappear. Last year it was pointed out that, under the present system, so far as new works and buildings are concerned, Western Australia is gaining enormously at the expense of the other States. Take the proposed expenditure on additions to post-offices and erection of new post-offices. It is proposed to expend £21,250 in New South Wales, £20,137 in Victoria, £25,425 in Western Australia, £5,624 in South Australia, and £7,145 in Queensland. Again, if we take the items for additions and new works in connexion with the Defence Department, we find that it is proposed to spend £13,818 in New South Wales, £11,717 in Victoria, £7,577 in Queensland, £4,985 in South Australia, £3,196 in Tasmania, and £25,223 in Western Australia. In other words, it is proposed to spend nearly as much in Western Australia as in any three States.

Sir JOHN FORREST.—That is for the fort at Fremantle.

Mr. BATCHELOR. — Exactly; but until recently all these items were charged against the States in which the expenditure was incurred.

Sir JOHN FORREST.—Not all of them.

Mr. BATCHELOR.—All of them. For instance, the whole cost of the telegraph line to Tarcoola was charged against South Australia, but Western Australia is getting all these works constructed on a *per capita* basis at the cost of the Commonwealth.

Sir JOHN FORREST.—But I did not do that. The system was changed before I took office.

Mr. BATCHELOR.—The right honorable gentleman is extremely inconsistent when he agrees with this proposal, and yet protests that it would not be advisable to introduce a proposal under which the bookkeeping system would cease in a short time on a sliding scale. If the revenue and expenditure of the transferred Departments are to be charged against the several States that system ought to prevail throughout.

Sir JOHN FORREST.—I do not think that Western Australia is deriving any particular benefit over any other State.

Mr. BATCHELOR.—The right honorable gentleman must admit that the expenditure of very much larger sums of money in one State than in others means that that State is deriving an advantage. In the distribution of Commonwealth expenditure, Western Australia is obtaining a huge advantage over the rest of the Commonwealth.

Sir JOHN FORREST.—My opinion is that Western Australia has paid more than she has received, if it is all added up.

Mr. BATCHELOR.—Western Australia has been exceedingly well treated by the Commonwealth, though not perhaps better than she deserves. We are discussing questions of national finance, and cannot be governed by mere sentimental considerations; and when a State pleads that a very incongruous and awkward method of finance shall be continued for her benefit she must expect that kind of treatment all round. Therefore, I say that the method of distribution now proposed is all in favour of Western Australia.

Sir JOHN FORREST.—Western Australia has been charged £20,000 on account of the sugar bounties for Queensland.

Mr. BATCHELOR.—So has South Australia.

Sir JOHN FORREST.—I know, but that does not alter the fact.

Mr. BATCHELOR.—We had a specific object in view in that matter. I am asking the Treasurer to be consistent, and to make proposals which will lead to the early abolition—I do not say the sudden abolition—of the very awkward bookkeeping sections, which are costly, and under which the real benefits of Federation are delayed; because we are bound to consider the result of any proposal which is made, not on the Commonwealth as a whole, but on one or two States. That prevents us from look-



ing at matters from a purely Federal point of view. We have had an interesting speech from the honorable member for Kooyong, in which he dealt with the population and the financial question. I tried to ascertain just what it was that he proposed, but unfortunately he did not develop any scheme. He outlined several ideas for increasing the population, and for establishing a committee of finance, which would do something or other, but he did not develop them sufficiently to enable one to decide whether they would be useful or otherwise. One point which the honorable member did make clear was that the condition of the workers is better in Australia than in any other part of the world. He said that our workers are better housed, better fed, better clothed, have more money in the Savings Banks, and that their productions are unequalled anywhere. Most of those statements are true. But then the honorable member went on to say that the reason why workmen from other parts of the world did not flock to this working man's paradise was because of the pinpricks that the Commonwealth and the States are administering to capitalists and to commerce generally. That is a somewhat remarkable statement. The honorable member tells us that conditions in Australia are better for the workers than they are anywhere else, and apparently he argues that workers in the older countries of the world will not come to Australia because of legislation, which has made the conditions better, and of proposals by which it is hoped to make them still better. He appears to think that the only way to bring a large population of workers to Australia is to reduce the emoluments of labour, and to make the conditions less generous for wage-earners. Surely that is a curious argument. It is sometimes said that the cities of Australia are overgrown. To some extent they are. During the debate, reference has been made to the population of Adelaide as being 45 per cent. of the population of the whole State of South Australia. But it must be recollected that the population of a city is reckoned within a ten-mile radius; and a ten-mile radius in the case of Adelaide includes a large number of primary producers. The great bulk of the fruit-growers are, I suppose, within ten miles of Adelaide, and many persons grow produce for export as well as for the local market. Within ten miles of the city there is a pastoral run,

the Levels. The huge aggregations of population in Australia are not all engaged in purely city pursuits—in manufacturing, and so forth. That idea is entirely erroneous. If the facts are inquired into, it is found that the overgrowth of our cities is more apparent than real. Of course every one of us would like to see more of our country lands cultivated, and put to a higher use. I do not think that the Treasurer's speech showed any material advance in regard to the States debts and other questions of the kind. No speech is likely to advance such matters; but the question of the States debts must become of pressing importance shortly. When the time comes, I believe that the House will grapple with the matter readily enough, and the sooner steps are taken in this direction the better it will be for the community generally. I shall not detain the Committee further, because I know that honorable members are anxious that this debate shall close.

Sir PHILIP FYSH (Denison).—I hesitated for a long time as to whether I should take part in this debate, and I cannot say that I have been very much encouraged to do so by the want of interest shown in the proceedings during the last two or three days. Yet when I speak of a want of interest I must not forget that during the past week there were several speeches delivered on the Budget, opening up subject after subject, and vista after vista—speeches that were not only interesting, but were delivered in a manner worthy of the best traditions of the various States Parliaments. I do not desire to be invidious, but I think I may mention the speeches delivered by the honorable and learned member for Corinella and the honorable member for Gippsland. The latter gentleman spoke under stress of great physical weakness, which ultimately overpowered him; but those who listened to that old statesman, as he is, with all his eloquence and force, could not help congratulating the Commonwealth on having amongst us such a representative. The speech of the honorable and learned member for Corinella elevated the debate to the tone which many of us, when we were advocating Federation, led the electors to believe would result from the association of a number of the best statesmen of Australia in the Commonwealth Parliament. That speech dealt mainly with our defences, and it is exceedingly to be regretted that

party exigencies compel, from time to time, changes in the Ministry, which remove men from positions which they are best able to fill, and very frequently replace them by men of not equal calibre. I know, from officers of the Defence Department, that there has not been a Minister who has shown himself more capable of carrying on the work of administration. This is just one of those cases which may lead us to support motions which have been submitted by two honorable members of this House in reference to the election of Ministries. It is suggested that the Ministry should be selected, not by one man, who may be the Prime Minister, but by the House itself, the members of which know better who are the men most capable of filling the special positions apart from any consideration of party exigencies. The honorable and learned member for Corinella, in that speech, dealt with the various suggestions which were made by the late General Officer Commanding, Sir Edward Hutton, and he led us to the conclusion that if the recommendations of the military experts were carried out we should find ourselves, perhaps sooner than we expected, pledged to an expenditure of at least £800,000 for equipment, in addition to the expenditure already incurred in connexion with garrisons, mines, artillery, and other land forces.

Sir JOHN FORREST.—Not £800,000 a year.

Sir PHILIP FYSH.—The outlay to which the honorable and learned member for Corinella referred was specially in connexion with the suggestions made by Sir Edward Hutton.

Sir JOHN FORREST.—The suggested expenditure was £800,000 altogether.

Sir PHILIP FYSH.—But the £800,000 was largely in connexion with expenditure which must be incurred year by year.

Mr. KENNEDY.—That is so—spread over a number of years.

Sir PHILIP FYSH.—I am altogether at issue with the honorable and learned member for Corinella, and the late General Officer Commanding, in this matter. The honorable and learned member did not convince me that we could wisely make any further expenditure on our land forces than that which is now being incurred. I have in my mind the recommendations of the various experts who have visited these shores in years gone by. Those experts were sent out here by the Imperial Government, and they have from time to time

called attention to the fact that these shores can never be invaded except by a desultory marauder. It may be that artillery and other armaments become obsolete every ten years or so, and require replacing at further expenditure. Whether that be so or not, there is the fact that every expert who has yet visited these shores—from Colonel Scratchley and Sir Edward Jervois down to Sir James Bevan Edwards—has come to the conclusion that these shores cannot be invaded except by some desultory marauder.

Mr. KELLY.—It was to meet such an enemy that the honorable and learned member for Corinella proposed the expenditure.

Sir PHILIP FYSH.—The honorable and learned member very wisely pointed out that while we have been warned that attack was more likely from privateers of the character of the *Shenandoah*, or the *Chesapeake*, a new order of things has arisen in the Pacific during the past few years. So far as the navy is concerned, we know that war ships, once away from their own shores, cannot return unless they have been permitted to coal by some friendly State. But of late years, as the honorable and learned member for Corinella reminds us, Germany has established coaling stations in the Southern Pacific, and may in consequence place us in a position which heretofore we have had no reason to contemplate. That being so, I would remind honorable members of facts which have been forcibly pressed on their attention in sessions gone by. It is true that we may have to look for our defence and protection not to the immediate waters of Australia. We may have to depend for victory on some great battle fought 2,000 miles away from our shores, as Great Britain had to depend for victory on the battle of Trafalgar. If an enemy had a force sufficiently large to enable him to disregard the fleets which were harassing him, and to leave them, he might run the gauntlet, and, picking up coal at various coaling stations, at length reach these shores. Then would begin our responsibility, and we must consider what should be our first line of defence. It was my duty for many years in the past to suggest to a State Parliament what course it should adopt and what should be its fair share of a contribution to something like a naval defence. I had therefore to consider what was the first line of defence for Australia. It is not her garrisons, mines, engineering, and land forces, but a navy which may be stationed three, thirty, or one

hundred miles away from her coast. Then, instead of spending more money on our land forces, I should like to see the mind of the Commonwealth Parliament directed to the purpose of assisting the Imperial Navy by a more liberal contribution than that which we give at the present time.

Mr. DAVID THOMSON.—We give too much now.

Sir PHILIP FYSH.—We require to insure our States against attack. We require to insure the bullion which lies in our banks against the call of an enemy, who at any time might lay us under contribution. What does the merchant do to protect his interests against loss due to the operation of the laws of God at sea or against the aggression of an enemy? He from time to time insures himself against risks of that kind. Our best insurance against a risk of the kind to which I refer is to increase our contribution to the Imperial Navy. A sum of £200,000 a year is now spent in this way, whilst we are spending £600,000 on our land forces.

Mr. DAVID THOMSON.—That is too much also.

Sir PHILIP FYSH.—As the honorable and learned member for Corinella reminded us, just as we have our lighthouses along our coasts—120 of them, I think—lighting up the maritime highway, so we have sea ports dotted here and there on the littoral of this great Continent, and they are practically defenceless. So far as Tasmania is concerned, I cannot forget Hobart with its magnificent waters, Frederick Henry Bay, D'Entrecasteaux Channel, and the Tamar, which are practically defenceless unless provided with forts. If we have forts, we must have garrisons. When we have our forts erected, our garrisons and guns ready, we shall have a support—a rendezvous—for our first line of defence—the navy, which from time to time may require to find cover near our coast or in our harbors. So I trust that our attention will be more directed to that first line of defence. I hesitate, as a non-expert, to talk about these matters. I speak only as I have been educated. For forty years I have been reading the various reports which have been submitted to the Imperial and our own Governments upon the question of defence. Those reports centre upon the fact that the first line of defence must be that upon which we shall rely most entirely, that is

our navy. That being so, I trust that in the future, instead of turning our attention to the number of our land forces, we shall be content to provide an efficient garrison and an efficient staff of engineers, and to create a body of men who can well manage our submarine mines, leaving the rest to what we all agree is a capable and useful force, our citizen soldiery. As an old volunteer, I have witnessed war's alarms in the years gone by, and know that no sooner is the flag raised than there rally round it more men than are needed. Men are always ready to rally in support of the flag, whenever it is unfurled.

Mr. CHANTER.—But to be effective, they must be trained.

Sir PHILIP FYSH.—They must be trained, and the money that we have spent on our volunteer system has not been wasted. I know from my personal experience, not in the last ten years, but in previous years when I was in the force myself, that if the flag were unfurled in Tasmania, not 800 men, but three times that number would rally to its defence, and they would be men who, with very little more training, would be fit to beat the foe. The training that we have given to our volunteers in years gone by has not been a waste of our public funds. We have instructed our men how to use the rifle, and we have instilled into them from their childhood the demands of patriotism. I would leave the question of defence there, hoping that whenever the subject arises, we shall devote attention not so much to expenditure upon our land forces as to supplementing, in all the efforts we can make, the operations of the Imperial Navy.

Mr. HENRY WILLIS.—What does the honorable member think it would cost?

Sir PHILIP FYSH.—To that question I give the honorable member no reply; it is entirely a matter of experience. But I have indicated the channel through which our expenditure should pass, to the extent of our abilities. Instead of wasting our money upon guns which, if they cost £100,000 to-day, will be obsolete in five, six, or seven years, and on armament and forts which will go down before more modern weapons, I would give what support I could to the British Navy. If we spend our money on forts in 1905, the expenditure will be absolutely useless ten years hence.

Mr. HENRY WILLIS.—The honorable and learned member for Corinella proposes to spend £800,000.

Sir PHILIP FYSH.—I do not think he proposes to spend that amount. I understood him to point out that that expenditure would be necessary if we went on the line of establishing garrisons at the various ports to which he alluded, and provided land forces to back up the forts. His suggestion, I understood, completed those of Major-General Sir Edward Hutton.

Mr. HENRY WILLIS.—But he recommended the issue of Treasury bills.

Sir PHILIP FYSH.—When the expenditure came to be considered necessary. If I have misunderstood the honorable and learned member, I shall be found voting against any extra expenditure on our land forces and garrisons, although I shall vote to supply our garrisons with modern arms. Coming now to the Budget, I have to express my gratification that the Treasurer has given to the world a set of statistics which are useful, not only as any compilation of figures is useful for purposes of comparison, but as showing the people of the old country the progress which Australia has been making. Mr. James, the able Agent-General for Western Australia, has already telegraphed to this country his sense of their usefulness in that respect. Progress is a relative term, but the progress of Australia suffers no disparagement when compared with that of any other country in the world. I intend to supplement the Treasurer's figures, in order to emphasize this progress. His statistics deal with what the commercial and trading communities have done. I shall show what has been the result of personal exertion and thrift among the masses generally. The Treasurer has shown that our primary products are worth £120,000,000 a year, and the output of our factories £60,000,000 a year, while £14,000,000 a year is expended in capital and machinery. But if we ask what the people have done personally, we find that our Savings Banks, whose books record the thriftiness of the public, have accumulated deposits to the amount of £34,000,000, while our building societies and friendly societies have accumulated £5,000,000. Our life insurance societies have accumulated the amazing sum of £35,000,000, which represents insurances to the value of £120,000,000 on the lives of 400,000 persons, or half the manhood of Australia. This is the sum which has been put aside by our people to provide against old age, or to benefit their children when time shall

be no more with them. These are grand figures for the Commonwealth to have reached within the last fifty years. Included in these insurances are policies on the industrial system such as those issued by the Citizens' Life and the Australian Mutual Provident Societies, whereby, by payments of 4½d. per week, the industrial classes have accumulated £6,500,000 against domestic vicissitudes. I am astounded when I read these figures; but when I inquire if they are trustworthy, I find that they are. I find further that our average area under crop has increased during the past five years from 10,000,000 to 12,000,000 acres. These figures show what the Commonwealth is doing in finding employment for its people, and putting the congested populations of the cities on to the land. The area under the plough has increased by 2,000,000 acres, or 20 per cent., in five years. I find further that our Customs and Excise duties have been revenue-producing, as well as fairly protective.

Mr. MAUGER.—It all depends upon what the honorable member calls protective.

Sir PHILIP FYSH.—I find, too, that they have been to some, but happily not to a large, extent prohibitive.

Mr. MAUGER.—To what item on the Tariff does the honorable member refer?

Mr. KELLY.—To the duty on hats.

Sir PHILIP FYSH.—The duty of 35 per cent. on hats has almost prohibited their importation.

Mr. MAUGER.—In the first place, there is not a duty of 35 per cent. on hats, and in the second place more hats are now imported into Victoria than were imported for years past.

Sir PHILIP FYSH.—The duty has been prohibitive except in respect to a certain class of hat sold by such shops as those to which I and other honorable members go.

Mr. MAUGER.—The honorable member is again wrong. It is the lower-priced hats that are imported to the greater extent.

Sir PHILIP FYSH.—I speak as an importer when I say that the class of hat made by the Denton Mills is no longer imported into Australia, except by two or three of the leading houses in our chief cities, where the shopkeepers practically charge what price they like, and the customers make no demur.

Mr. MAUGER.—What about the hundreds of thousands of Italian hats that are imported?

Sir PHILIP FYSH. — Comparatively few are being imported now. Then so far as boots are concerned, the products of America and Staffordshire are being imported to a limited extent, because some persons regard the imported article as superior.

Mr. MAUGER.—And they are wrong.

Sir PHILIP FYSH. — I believe they are wrong. I have seen Australian boots which are equal to anything that could be imported. The greater proportion of the hats, boots, flannels, and blankets that were formerly imported have been displaced by locally manufactured articles. The Tasmanian blankets and flannels are sold wherever they are shown all over Australia, and articles of similar value could not be imported from England and sold here after payment of the duty at prices which would permit of successful competition.

Mr. HENRY WILLIS.—That was so before Federation.

Sir PHILIP FYSH.—Quite so. In Tasmania we have been gradually building up the manufacture of boots, flannels, tweeds, and blankets under a Tariff not protective—at least, not intentionally so. I was Treasurer of that State over and over again from 1868 onwards, and I am called a free-trader. But we lived under a 20 per cent. Tariff for such a long time that some of us unintentionally became protectionists. It may be said of Tasmanian finance, "My poverty but not my will consented." The Treasury needed money, and as I was denied revenue by means of direct taxation, I was compelled from time to time to resort to increased Customs duties. Ten per cent. duties were increased to 15 per cent., and then again to 20 per cent., and the free-traders were always asking us to impose a little more duty to protect their manufactures. Under such a Tariff, the manufactories in Tasmania have increased, and now every day we hear the sound of the factory bell, and the patter of the feet of thousands of factory hands proceeding to their work. That is what we want. Returning to the point from which I started, I contend that the Commonwealth Tariff has been revenue-producing, protective, and partly prohibitive. The Tariff yielded during the first year of its operation £9,600,000, whilst, for the current financial year, it is estimated to produce £8,683,000. There-

fore, there will be a falling-off of less than £1,000,000 in five years. It must not be concluded that there has been any great falling off in general imports, because the difference is mainly due to the fact that our importations of grain and sugar have practically ceased, at a loss to the revenue of £1,200,000. Therefore, we have nearly passed through the first five years of our experience of the Tariff, to which the right honorable member for Balaclava referred when, in introducing his first Budget, he said, "I have to warn the House that the Estimates which are now produced will have to be reduced year by year as our manufactures increase." When the right honorable gentleman made his statement he was not aware that it was intended to abolish the duties upon tea and kerosene.

Mr. KENNEDY. — Was the Tariff completed when that statement was made?

Sir PHILIP FYSH. — No; it was not. From time to time it was pointed out that the Tariff as originally proposed would yield a much larger sum than £9,500,000. The Committee reduced the duties upon many articles, struck out the tea and kerosene duties, and placed one item after another upon the free list. The right honorable member for Adelaide, much to my chagrin, told honorable members that the Tariff was of a protective character, but honorable members were not prepared to go to the length that he proposed, and gradually the duties were pared down. The right honorable member for Balaclava predicted that the revenue would gradually be reduced to about £7,500,000, the value, as he stated, of the normal year; but our experience does not point to any such probability. The bookkeeping sections of the Constitution were inserted in order that we might learn what were the possibilities of the Commonwealth within that period. Notwithstanding that our population has to a small extent diminished, I have very little doubt that for some years we shall continue to enjoy to the full the amount of revenue which it is estimated we shall receive during 1905-6. I know of no reason to warrant the presumption—despite the fact that our manufactures are increasing—that the amount of Customs and Excise revenue which is at present being collected will not continue to be collected. If unhappily our population should decrease—and I use the word "unhappily" advisedly—we may expect somewhat different

results. But so surely as we continue to manufacture for our own people, to extend our horse-power in machinery, and to pay good wages to our artisans, we shall enable them to consume articles which, by paying duty, will cause our revenue to be maintained. I am exceedingly sorry to observe that our population has, to a small extent, decreased. The number of emigrants from Australia exceeds that of our immigrants. I do not know how we can stop this leakage. That observation leads me to pass more rapidly than I had intended to another subject, which relates to the settlement of the people upon the soil. Until we can settle our own population upon the lands of the Commonwealth, we cannot attempt to introduce strangers. Too many of our sons, wearing stiff collars and starched cuffs, are to be found wasting their time in our cities. We want to induce them to go upon the land.

Sir JOHN FORREST.—Let them go to Western Australia.

Sir PHILIP FYSH.—By pushing men into pursuits which they do not understand without providing them with a certain amount of capital, we should be more likely to facilitate their downfall than to secure their prosperity. I observe that the Treasurer proposes to seek a conference with the States Treasurers upon this subject. He may arrange a conference with them, but he will find that every State is doing what it can in this direction. Some of the States have found it necessary to hold on to their lands in order that they may maintain their revenue. Others have found it imperative to retain possession of them, because, having sold them previously for £1, 10s., and 5s. per acre, it would be ruinous to those who have purchased if the Government now commenced to give them away.

Sir JOHN FORREST.—That is an exploded idea. The same argument was used in Western Australia, but there is nothing in it.

Sir PHILIP FYSH.—I should like to know what area of arable land is available in Western Australia—I mean land upon which a man with sufficient capital could settle with any hope of being successful.

Sir JOHN FORREST.—There is an almost unlimited quantity of it.

Sir PHILIP FYSH.—I am afraid there is not. It is gratifying to learn that the States are providing opportunities for the settlement of the people upon the soil. In Victoria the *Crédit Foncier* system is in vogue. I believe in that system—in fact,

I have always been a *Crédit Foncier* advocate—and I endeavoured to introduce a similar system into Tasmania, but my efforts were baulked by the Legislative Council of that State. That we must assist our own people before we help outsiders is an article of my creed. In picking up our stalwart sons, who are at present resident in our cities, and placing them upon the lands of the country, we have a great work to perform. At Dookie, Hawkesbury, and other institutions they may become familiar with agricultural pursuits, but if subsequently their parents are unable to provide them with the capital necessary to place them upon the land, the Government must step in and assist them. That means that we cannot hold out any inducements to immigrants at present. Consequently, when I hear the Prime Minister or any member of the Government talking about the encouragement of immigration, and of the desirability of arranging conferences with the States Governments to discuss that subject, I am inclined to say, "Talk as you will, it will result in nothing." There can be no immigration of the class of people we desire to see settled upon the lands of the country for some time to come. In this connexion I would point out that Canada offers much better inducements to immigrants than we can. Where is the State in Australia which will give an intending immigrant 160 acres of land?

Sir JOHN FORREST.—Western Australia will do that.

Sir PHILIP FYSH.—But what is the character of that land? Canada has flooded its lands with a very likely class of settlers, and now that no further areas are available within twenty-five miles of the railway it intends to duplicate the line from the Atlantic to the Pacific, in order to make its other lands more accessible. A very low rate of passage money obtains between Great Britain and Canada, and the Dominion Government offers 160 acres of land to each intending settler free of charge. It holds out inducements which we cannot hope to offer. I am afraid that it is idle for Australia to expect to populate its lands with immigrants in the way that we desire. I regret that our legislation during the past five years has not been calculated to induce the belief that outsiders upon their arrival here will be welcomed. We have not extended the hand of welcome to the men in the old country who would be most likely to come here. We have simply invited those having capital

to come to our shores, and these men are exceedingly dubious when they learn of our various restrictive regulations in relation to wages and conditions of labour in the industries in which they are interested. In Tasmania, the State from which I hail, we have year after year had the most progressive legislation which any man of judgment could desire. Yet we have had no Labour Party in the State Parliament; we have all been labourers for the common weal.

Mr. WILSON.—It is an ideal State.

Sir PHILIP FYSH.—An ideal State in that respect. We have maintained the wages of our workers, and have secured good homes for the people. We have encouraged them to settle on the land by granting holdings even as low as 5s. per acre, and giving them thirteen years in which to pay for them. We have offered them every possible inducement, and until Federation they never felt anything in the shape of real taxation. As the result of the action of the Labour Party in the Commonwealth Parliament, however, the poor labouring man and the poor labouring woman in Tasmania have to pay direct taxation which they never had to bear before. Some of the legislation of the Commonwealth has so reduced the Customs revenue as to compel that State to resort to direct taxation, and Tasmania now collects, from all the workers, from the best paid wage-earner to the poorest hospital nurse, a tax from which they ought to be free.

Mr. DAVID THOMSON.—The honorable member is condemning legislation brought in by the Government of which he was a member.

Sir PHILIP FYSH.—I am very glad that I am now a free lance.

Mr. HUTCHISON.—The honorable member has made a very serious indictment against legislation introduced by the Government of which he was a member.

Sir PHILIP FYSH.—I say that some of the legislation passed whilst I was a member of the Barton-Deakin Administrations was, to my mind, mischievous, and I am thankful to wash my hands of it.

Mr. MAUGER.—Why did not the honorable member do so before?

Sir PHILIP FYSH.—Surely the honorable member does not forget that a house divided against itself cannot stand.

Mr. MAUGER.—But why should it stand in such circumstances?

Sir PHILIP FYSH.—Does not the honorable member recognise that when seven men join in a partnership of liability it would be dishonorable for one of the number to do anything that might be detrimental to the others? It is because of this that, in connexion with every Administration in the world, we find over and over again that men remain in office, just as I did in the case in question, and just as I have had to do in Tasmania. In the State Parliament I have listened to a debate on a measure against which, as a member of the Cabinet I had raised my voice in protest; but I would rather go down myself than act dishonorably to the men with whom I was associated. I should get away from them at a fitting time, but not when my disagreement with them would possibly bring about a crisis. Is a man to think only of himself? If I or the right honorable member for Swan had thought only of ourselves, we might have resigned from the Barton or Deakin Administrations; but we had a right to remember that we were members of a party in the Parliament of the Commonwealth, and were bound together for weal or woe, so that the house should not be divided against itself. But when the opportunity offers—when no claims are made upon me by the party with which I am associated, I am free to act for myself, and, as a free lance, may denounce the very legislation—

Mr. KENNEDY.—The honorable member is really denouncing himself.

Sir PHILIP FYSH.—Some of the legislation passed by the Commonwealth Parliament during the last four years has been not useful but really detrimental to the Commonwealth. I turn from this subject to that of the sugar bounty, which is another of the important questions that have been discussed during the Budget debate. As the result of the sugar tariff, the Commonwealth has lost revenue to the extent of £614,000 during the last five years. This loss has been suffered by reason of our desire to rid the Commonwealth of the coloured labour question. I do not forget that that question did not apply to New South Wales; that, at the time of the introduction of the system, very little coloured labour was employed in that State, and that we have therefore been giving a bonus to the sugar-planter of New South Wales for no particular reason. Last year, if I remember rightly, there were 3,700 labourers—consisting of 2,400 coloured and 1,300 white men—employed in the sugar planta-

tions of the Commonwealth. I should like a representative of Queensland to inform me what are the wages earned by white labourers in the sugar-fields. Shall I say 40s. per week?

Mr. BAMFORD.—With rations and quarters, the wage is about 35s. per week.

Sir PHILIP FYSH.—I am quite sure that the planters cannot obtain white labour for the cane-fields under 6s. a day.

Mr. BAMFORD.—Yes; a ploughman can be engaged for £1 or 22s. a week.

Sir PHILIP FYSH.—Then what shall I say is the wage paid to the coloured labourer? Shall I put it down at 20s. per week?

Mr. BAMFORD.—27s. 6d. per week.

Sir PHILIP FYSH.—I do not think that a white man should be employed in the cane-fields at less than 40s. a week.

Mr. HUTCHISON.—Very few get as much as that.

Sir PHILIP FYSH.—If you are going to push them into the most tropical districts of Queensland—

Mr. WILSON.—All that land will be thrown to waste.

Sir PHILIP FYSH.—You are going to try to push them into the far north at 40s. a week, with coloured labour at 20s. a week. Therefore, the planter has paid, in order to get rid of coloured labour, £1 a week, or £52 a year, for every labourer more than he would have paid had he used all coloured labour. If a bounty of £2 per ton is paid when white labour only is employed in producing the 170,000 tons of sugar, then the Commonwealth will pay £340,000 a year. And if we work out the loss of 20s. per week made by the planter in substituting white for coloured labour, we shall arrive at the sum of £192,000. Therefore, we shall have given to the planters a bonus of £150,000 a year, in addition to all the losses they may have incurred in substituting white for coloured labour.

Mr. RONALD.—Does not the honorable member think that a white labourer is equal to two black labourers at any time?

Sir PHILIP FYSH.—I do not know anything about that; it is a matter for the growers. If these figures are approximately correct, it merely shows that we were monstrously misled in giving a bounty of £2 per ton for white-grown sugar. We have given the planters not only the advantage of the protection between the excise duty of £3 and the import duty of £6, but

also a bounty of £2 per ton, which—assuming that all the labour is white, and it will be some time before it is—represents £192,000 a year, or more than £1 a ton, in addition to the extra cost they can show they have incurred by employing white rather than coloured labour.

Mr. BAMFORD.—It is not in addition to, but in lieu of that.

Sir PHILIP FYSH.—No. The planter substitutes white in lieu of coloured labour, and we have given him enough to pay for the extra labour, and £1 per ton in addition thereto. If these figures are approximately correct, it shows that the bounty, instead of being £2, ought to be £1 a ton, to cover the actual cost; that is, if the whole quantity of 170,000 tons is produced by white labour. It will be seen, then, that we make the planters that enormous gift. I know that the planter has not been getting all the advantage which the honorable member for Franklin suggested, and that is the misfortune of the business. It may be that in New South Wales the planter, who never employed black labour, is getting all the advantage that is possible; but in Queensland, the planter, who deals with the Colonial Sugar Refining Company, may not be getting the amount of advantage which he ought to receive.

Mr. JOHNSON.—The New South Wales growers have received in three years £114,000.

Sir PHILIP FYSH.—Year by year the growers have been receiving this enormous gift.

Mr. RONALD.—And yet they are not satisfied.

Sir PHILIP FYSH.—And yet they may not be satisfied. These observations are preliminary to the question of what we are to do when the period of five years has expired. I shall need to be better informed then I am now if I vote for a continuance of the bounty. All through the period when I, with others, was asking the people of Australia to federate, I boldly told them that Queensland must be considered, as she had an enormous product which I hoped would satisfy the requirements of all Australia. Five years ago, I used the same number of tons for the purpose of my calculations as I am using now, because I was told by Sir Hugh Nelson, in correspondence, that 170,000 tons was the quantity which was needed; and that before very long it would all be produced by Queensland. Last year very nearly that



quantity was produced there. After we have had an experience of a few years, we are told by those in authority that the bounty must be renewed. When the question comes before the House, I shall be disposed to say that, having given the growers a bounty for five years, and helped them to get rid of a certain portion of their coloured labour, they must now help themselves. What was the position of the planter prior to Federation? I bought tens of thousands of tons of sugar from Queensland at a fair price—the price of Mauritius sugar. We are told that prior to that time, the planters held their own. The Commonwealth does not exist for the purpose of assisting men to make fortunes. We all had to hold our own, with difficulty indeed, prior to Federation. Therefore, the Queensland planters must be satisfied to do that.

Mr. DAVID THOMSON.—The planters were paying £6 a year for labour then.

Sir PHILIP FYSH.—The planters still have the market, and we are going to continue, I hope, to give them the advantage of the proportion of £3 a ton. If that, which is equal to 20 per cent. on their raw product, is not sufficient, I do not know that the raw product is worth producing. When the question of the sugar bounty was submitted, many of us, perhaps, voted out of consideration for those who had plantations on the tropical line. When you get to the far north of Queensland, I exceedingly doubt, whatever may be said to the contrary by Queenslanders, whether the atmospheric conditions will enable European families to work in the cane-fields. I have heard representatives of that State say, "The planters have only to pay the price, and labour will be found." During the last three or four years we have offered the planters every inducement to pay the price. We do not find that in that district the coloured labourer is being dispensed with as rapidly as we had hoped. I am not an authority on hygiene, and if a medical man resident in the district tells me that while the white man may endure, his wife and children must suffer, that there must be ennui, dementia, and early decay, and all those weaknesses which extreme climates induce, I accept his testimony. It is the only testimony I can find, and it convinces me that tropical Queensland is unfit for the wives and children of white men.

Mr. BAMFORD.—Is the honorable member aware that doctors disagree as to that?

Sir PHILIP FYSH.—Where doctors disagree I have to arrive at a conclusion by exercising my own common sense, and basing my judgments on my own experience.

Mr. BAMFORD.—The honorable member has had no experience on the subject.

Sir PHILIP FYSH.—I have had quite enough experience of tropical climates. I have been in Mauritius, and have seen something of cane-cutting there. When the rain falls upon the land the extreme heat causes the moisture to rise in dense clouds, by which one is enveloped. The climates of such countries are not such as white men can live and work in. When the time comes for the discussion of this question, I shall feel compelled to arrive at the conclusion that the sugar industry must depend upon itself for support, except so far as concerns the difference between the Excise and the Customs duty. There is another point which affects the people of the Commonwealth very considerably. Questions affecting Federation and the Commonwealth cannot arise in conversation without the matter of Federal extravagance being discussed. It becomes quite monotonous. I am pleased to know that the Treasurer has given figures to show that Federation is costing Australia only 1s. 5½d. per head. At the time of the Convention, and when we were recommending the Constitution to the people at the referendum, I even went so far as to say that the cost might be 2s. 6d. a head. But when the Treasurer mentioned the actual expenditure as 1s. 5½d. per head he omitted to include certain items of expenditure which are really consequent upon Federation. There is the sugar rebate, for instance, which for the year 1905-6 is estimated at £151,000. That expenditure is consequent upon Federation. It is no reply to say that the people have been relieved through the Customs to the extent of £500,000 a year in respect of tea and kerosene duties. Before I have done with the subject I think I shall be able to show that these reliefs which, in my opinion, we so unwisely granted, have been a serious contributory cause of the difficulties of some of the States—especially of Queensland and Tasmania—in respect of their finances. The abolition of the tea and kerosene duties certainly cost Tasmania £25,000, and Queensland very nearly £50,000 a year. Queensland has accumulated deficiencies of £102,000, in consequence of the reduced surplus handed over to her by the Com-

monwealth. That is largely due to the action of this Parliament in repealing those duties. Then, again, we shall presently have to deport a large number of kanakas. I have read that a deposit was paid for each of them. I cannot learn who holds that deposit, and whether it is held under proper conditions, so that it may be paid on the deportation of the kanakas.

Mr. McWILLIAMS.—The State Government holds it.

Sir PHILIP FYSH.—I doubt whether the Commonwealth Government can compel the State Government to pay over the money. Then, again, I hope we are to have an additional expenditure in connexion with iron bonuses. I am not now committing myself to any particular amount. By-and-by we shall also have old-age pensions to pay—a matter about which I shall have something to say presently. There will also be the Federal Capital expenditure. Some honorable members may say that by means of the nationalization of the land money spent in that direction will be returnable later on. But there will certainly be expenditure for furnishing the departments at the Capital.

Mr. KELLY.—That expenditure was foreseen when the States entered Federation.

Sir PHILIP FYSH.—I do not know what the people may have thought at the time of the referendum, but we certainly did not anticipate such a large expenditure as is now projected. Then comes looming up before us that great project in which the Treasurer is so much interested—the transcontinental railway.

Mr. KELLY. — Is not that definitely shelved now?

Sir PHILIP FYSH. — I hope it is shelved for this session; but every effort is, I am sure, being made by the Treasurer to resuscitate the infant. I should not be surprised if he managed to galvanize it into life.

Sir JOHN FORREST. — The honorable member supported it.

Sir PHILIP FYSH.—I have never supported the transcontinental line.

Sir JOHN FORREST.—The Government in which the honorable member had a portfolio introduced the Bill.

Sir PHILIP FYSH. — But the right honorable gentleman knows that, so far as I was personally concerned, I was not in favour of the project. Hopeful as I am for the development of Western Australia, I say to the Treasurer, in the words of

Pease, of Darlington, "Let the country make the railways, and the railways will make the country;" but I do not know of country between Eucla and Kalgoorlie which, in this sense, can be made, and until I see that every effort has been put forth by Western Australia herself to construct this line, it will not find in me a cordial supporter of its construction as a Federal project. This question of the cost of Federation brings me to a point that is very near to four honorable members in this House besides myself—the honorable member for Franklin, the honorable member for Bass, the honorable member for Darwin, and the honorable member for Wilmot. That is the effect of these changes in connexion with Federal finance upon the finances of the State which is smallest in respect of numbers and weakest in respect of finance — Tasmania. Tasmania is small in population, small in finance, and small in area; but at the same time it is one of the six States of the Commonwealth. I am proud to belong to that State, and to recognise her position, although it may be a minor position. Tasmania is looming large in the Commonwealth in regard to her manufactures, the development of her mineral resources, her private and public wealth, and, generally, in her association with the commerce of Australia. That small State has developed a most satisfactory position, although she suffers because of a reduction of duties, and because of the cost of her public buildings being charged against revenue instead, as heretofore, against loan account. I saw from the newspapers a few days ago that Tasmania emerges from her financial difficulties with a surplus, though it must not be forgotten that the people there have had to tax themselves in a new direction. I have previously referred to this as a consequence of labour legislation. The poor man, and even the poor laundry woman, have, I am ashamed to say, to pay this taxation in Tasmania to-day. Previously the Customs and Excise realized £2 17s. per head, whereas under the Commonwealth Tariff the result is £1 17s. per head. In the year 1900 the Customs and Excise brought in £470,000, whereas under the Commonwealth in 1905-6 the surplus of revenue returned is only £240,000. or £230,000 less than that received five years ago. I am not going to make too much of this matter. By whatever method the reduction may have

been brought about, I hope that that loss of £1 per head by Customs has been, to some extent, gained by the people; but instead of Federation costing 1s. 5½d. per head, we find, after making all allowance for this supposed saving in Customs and Excise, that the expense is 4s. 2d. per head. Tasmania is, therefore, in the rather serious position that she has, to an extent, got to the end of her tether. The amount of the surplus for the year 1905-6, estimated to be paid by the Treasurer to the Government of Tasmania, is within £4,227 of the actual amount realised; in other words, there is only that amount, so far as Tasmania is concerned, to reckon on for any further expenditure. The iron bonus will nearly consume the whole, while the trans-continental railway would consume twice as much. It will be seen, therefore, that in Tasmania, with the increased expenditure, the Commonwealth is likely to have a second State thrown on its hands, though not in default, because I hold that under the Constitution, there can be no default. Although the Commonwealth receives the whole of the Customs and Excise revenue, three-fourths of it must be distributed to the States in proportion to the amount collected. But what becomes of Queensland, which year after year, for four or five years, has had a deficiency which has now reached £102,000? I should like to know what the Auditor-General has to say in regard to this deficiency. I challenge the Treasurer's position when he treats this deficiency as a debit against Queensland. As a matter of fact, it is an item which hangs between heaven and earth, like Mahomet's coffin, and really and truly it ought to be placed to a suspense account. If the amount be debited to Queensland it gives rise to the presumption that it is an asset of the Commonwealth, whereas it is not an asset, seeing that Queensland cannot be forced to return it.

Mr. MCWILLIAMS.—Queensland never got this money.

Sir PHILIP FYSH.—Queensland has had her full share of the three-fourths of the revenue.

Sir JOHN FORREST.—I do not follow the honorable member.

Sir PHILIP FYSH.—Queensland has had her share of the three-fourths of the revenue.

Sir JOHN FORREST. — No; Queensland has not.

Sir PHILIP FYSH.—The three-fourths of the total revenue, which was taken into

the hotch-potch of the Commonwealth funds, has been distributed in proportion to the amount received from each State.

Sir JOHN FORREST.—Queensland has complained very much at not getting her three-fourths.

Sir PHILIP FYSH.—If Queensland has not got her three-fourths, I do not understand the account. The money is most distinctly set out as a debit against Queensland, and it appears as an asset of the Commonwealth, although it is not an asset.

Sir JOHN FORREST.—Queensland has not received her three-fourths like the other States.

Sir PHILIP FYSH.—I cannot understand an account which shows this to be a debit against Queensland. Queensland might be shown as minus the amount, but, as I say, to debit her means that the Commonwealth has an asset.

Sir JOHN FORREST.—The Commonwealth has not a penny at the end of the year, or even at the end of the month.

Sir PHILIP FYSH.—The Treasurer does not follow me. If I were making out a balance-sheet, I should put down so much stock, and so forth, and £102,000 due by Queensland. However, I need not pursue the argument further.

Sir JOHN FORREST.—I can assure the honorable member that there is nothing in the argument.

Sir PHILIP FYSH.—Does the Treasurer tell me that Queensland does not get her three-fourths of the revenue?

Sir JOHN FORREST.—No, Queensland does not.

Sir PHILIP FYSH.—But Queensland is entitled to three-fourths.

Sir JOHN FORREST.—Queensland is entitled to a share of three-fourths of the whole.

Sir PHILIP FYSH.—I take it that three-fourths of the whole means three-fourths of what the State has contributed.

Sir JOHN FORREST.—No.

Sir PHILIP FYSH.—After another year or so I have no doubt that we shall find Tasmania with a similar deficiency. The question then arises whether we can hope for any other plan of distribution. We find from the Treasurer's statement that if there be a *per capita* distribution, Western Australia will suffer to the extent of £650,000 per annum, whilst the other five States would realize an advantage. How hopeless it is, therefore, to expect, while

the position in Western Australia continues as at present, that the Parliament will deal with this question of bookkeeping otherwise than as it has been dealing with it in the past. Happily, we shall find that as the result of our five years' experience, the States payments *per capita* to the Commonwealth revenue have become more closely approximated. Western Australia is the only State which still stands in the way.

Sir JOHN FORREST.—Tasmania would get some benefit the other way, would she not?

Sir PHILIP FYSH.—No. I propose to show the right honorable gentleman that, with the exception of Western Australia, the disparity in the *per capita* payments of the States of the Commonwealth is now so small that they are practically the same. We have now arrived at this position: On the consumption of dutiable goods New South Wales pays £2 1s. 7½d. per head; Victoria, £2 1s. 1½d.; South Australia, £1 16s. 5d.; Tasmania, £1 16s. 8d.; and Queensland, £2 2s. Honorable members will see that there is no great disparity between these amounts.

Mr. JOSEPH COOK.—Does Tasmania pay more than South Australia?

Sir PHILIP FYSH.—Only 3d. per head more. The revenues of the States have now so nearly approximated proportionately that on the consumption of dutiable goods New South Wales pays £2 1s. 7½d. per head, and Victoria pays £2 1s. 1½d. The Treasurer knows that when his own State was represented in the Federal Convention, her people were paying £8 per head towards the Customs and Excise revenue, and it was then hopeless to talk of the institution of a sliding scale. The right honorable member for East Sydney suggested at the Adelaide Convention that there should be a sliding scale, enforced for five years to bring us into line, but directly the statisticians pointed out to us that the inevitable result would be a serious disadvantage to New South Wales, who, at that time, was collecting only £1 6s. per head, whilst Western Australia was collecting £8, and Tasmania £2 16s. per head, the proposal was seen to be utterly impracticable. I am referring now to the possibility of our coming into line in this matter. Victoria and New South Wales have automatically come together, and their payments are now within 6d. per head of being the same, a difference which need not be mentioned. In 1901, New South

Wales collected £1 6s. 4d. on dutiable goods, and she now collects £2 1s. 7½d. Western Australia collected £5 6s. 7d. in that year. Tasmania collected £2 16s. 6d. and she now collects only £1 16s. 8d. per head. In Tasmania we have closely approximated to the position in South Australia, and our collections are within 5s. per head of those in New South Wales.

Mr. AUSTIN CHAPMAN.—What is the Western Australian collection now?

Sir PHILIP FYSH.—The last statistics show that it is £5 8s. 3d. per head, without reference to the special Tariff. Honorable members will see how closely, year by year, during the past five years we have been brought into line in this matter. There is something further to be considered. Statisticians make use of a term known as the "opimeter"—the measure of the ability to consume articles of luxury. The opimeter of 1900 showed this disparity between New South Wales and Tasmania, that whilst in New South Wales the people spent £1 per head on tea, sugar, spirits, narcotics, and dried fruits, the luxuries and semi-luxuries, Tasmania spent at least 10s. per head less, and I am not sure that it was not 15s. per head less on these articles. That was the measure of their ability, by reason of good wages, to spend on articles of luxury liable to Customs duties. If honorable members will go through the returns on these items of luxuries, and semi-luxuries, they will find that the measure of ability to consume these articles has approximated throughout Australia, until it is now almost the same in each State. It is somewhat astonishing to find that in this respect the ability of Tasmania has so nearly approached that of New South Wales. When we consider the position of Western Australia, with her enormous Customs duty of £8 per head, we shall find that that was due to a much greater proportion of adult males living in wattle and dab, or tin huts, upon luxurious whiskeys and beers, and paying very heavily for narcotics and spirits of all kinds. But there is a normal condition of things, and by reason of the progress of mineral development on the west coast, Tasmania has so improved her position as a consumer of luxuries and semi-luxuries, that she has in the last five years more closely approximated to the position of the other States in the value of dutiable goods of this class which her people consume.

Mr. JOSEPH COOK.—Is it really a difference in ability or a difference in computation?

Sir PHILIP FYSH.—I had a great dispute with the statisticians of the time as to whether they were not over-estimating this ability to consume dutiable goods, but whichever of us was correct, there remains the fact that on these articles—luxuries and semi-luxuries, in 1900, the people of New South Wales consumed a quantity per head which gave to the exchequer £1 per head, whereas Tasmania only paid some 10s. per head.

Mr. JOSEPH COOK.—I cannot conceive of that difference having been made up in so short a time.

Sir PHILIP FYSH.—The figures show that the payments have become closely approximated, and New South Wales, in 1904-5, paid Customs duty to the amount of £2 1s. 7½d. per head, whilst Tasmania paid £1 16s. 8d. per head, a difference of only 5s. Tasmania has therefore picked up 5s. in the time. Honorable members will not wonder at that when I tell them that Tasmania has improved her position from that of an exporter to the value of £1,500,000 to that of an exporter to the value of £3,500,000. She has been paying off an old debt which existed; and she has increased considerably the value of her primary products—wool, gold, metal, root crops, and agricultural products generally. In every line she has shown a progress as marked as will be found in any one of the most important and progressive States of Australia. She has enriched the architecture of her cities, "has pulled down her old barns, and built greater structures," and has, in fact, "laid up much goods for herself for many years." This indicates a splendid position for the people of a young State.

Mr. BAMFORD.—Federation has not injured Tasmania so much after all.

Sir PHILIP FYSH.—Federation has only injured Tasmania in the way I have said, that she is paying 4s. 2d. per head of her population on account of Federal expenditure. Although I pointed out that she lost in revenue, plus new expenditure, £230,000, I did not forget to say—and if I did, I am glad the honorable member for Herbert reminds me—that for 180,000 people she has saved £1 per head per annum under the Tariff. Under the Tariff in force to-day, her people pay £1 16s. 8d. per head, whilst under the Tariff of 1900,

they paid £2 17s. per head. They have, therefore, saved £1 per head, or £180,000. That amount has gone into, or has remained in, the pockets of her people. We shall probably not find many of them who will admit it, but it is nevertheless a fact. So that, although there is a black side to the picture, when we are dealing with the position of Tasmania in the Federation, there is also a brighter side which we can hold up to her people. We can tell them, for whatever it is worth, that though they may be in the position of having to submit to a new class of taxation, it is a substituted payment, and their taxation has only been increased to the amount of 4s. 2d. per head as the result of Federation. Unfortunately, they have had to enter upon a new class of taxation as I have said, but it is only fair to admit in the Federal Parliament, that so far as that is concerned, the people of Tasmania were entitled to a new class of legislation. With the exception of Western Australia, there was not one of the other States in the year 1900 in which the people were paying £2 17s. per head in Customs and Excise taxation. That was an extravagant rate of payment, and I am not at all sorry that the people of Tasmania are, under the Commonwealth, only paying £1 16s. 8d. in Customs and Excise taxation. It therefore seems to me that we have approached the time when the Treasurers ought to more closely investigate the position, so far as the bookkeeping period is concerned. If they do, I feel certain that New South Wales will not now say, as she said at the time of the Convention, that, so far as her revenue was concerned, she was like a lamb about to be consumed by the wolves, namely, the weaker States, but will find that the Customs and Excise receipts of the States so closely approximate that there should be no difficulty in amending the bookkeeping provisions under the powers given to the Parliament by that section of the Constitution which says that the bookkeeping system shall last for five years, or until the Parliament shall otherwise direct. That time will soon arrive, and I wish that it had been during the Treasurer's year of office, so that he might have come boldly to the front and said that Western Australia would not stand in the way.

Sir JOHN FORREST.—She is not prepared to give up £500,000 a year.

Sir PHILIP FYSH.—Western Australia will not be asked to give up

£650,000 — which is nearer the actual figures — but the suggestion has already been made that a sliding scale should be adopted. The right honorable member for East Sydney proposed that in the Finance Committee of the 1897 Convention, but it was too big a thing at the time. New South Wales was then receiving only £1,250,000 from Customs and Excise, and could not afford to double her revenue from that head. Therefore, when the right honorable member got out of Committee, he found that he was making too liberal an offer. But, if either he or the present Premier of New South Wales were approached, and it were pointed out that the revenues of New South Wales and Victoria from Customs and Excise now approximate as closely as 1s., there should be no difficulty about throwing the whole into hotch-pot, and allowing the division hereafter to be *per capita*, giving to Western Australia the special terms that she may need.

MR. AUSTIN CHAPMAN.—To what years do the honorable member's Western Australian figures refer?

SIR PHILIP FYSH.—They range from £5 8s. 3d. in 1901 to £4 5s. in 1904-5. Each year, as Western Australia becomes more settled, and as people build and furnish homes there, the revenue from Customs will decline. We shall not ask anything from that State, but will rather be inclined to deal liberally with her. Seeing that Western Australia, after five years, remains the lion in the path, it is time that we killed, or appeased, that lion. I shall not detain the Committee by a discussion of the Braddon provision. The honorable member for Wakefield, if he were here, would remember that he and I had much conversation with respect to the purpose which many of us had in the Convention of securing the return to the States of all or sufficient of the Customs revenue to keep them going. In talking the matter over at the time with other *confrères* with whom we were intimate, we were very doubtful as to what the result of the provision might be; but the late Sir Edward Braddon was not a man to see difficulties in his path, and at 2 o'clock in the morning he proposed the clause to which his name is attached. As a number of honorable members were favorable to some provision of the kind, though none of them knew clearly what he wanted, and less still the effect of such a provision, the clause was passed, in

the hope that some good might come of it. Good has come of it, and I think will of it while it continues to have force. Of course, Parliament could make the provision valueless at any time by enacting a new method of taxation, but a Commonwealth land tax would be the downfall of any party that proposed it. We in Victoria are paying a land tax on capital value which is equivalent to an income of 10d. in the £1. The honorable member for Darwin a day or two ago foolishly talked about imposing a land tax to raise revenue to redeem our debt. I have heard the taxation of the land discussed ever since I have been in politics. It is all very well to talk about a land tax now that our flocks and herds have been restored, and we are getting 5s. a fleece for our wool, but we have to remember that our pastoralists and agriculturists have just recovered from the effects of a seven years' drought. I would not be a party to imposing further burdens on those who are subject to such vicissitudes.

MR. HUTCHISON.—What is the honorable member's policy?

SIR PHILIP FYSH. — I will not listen to any proposal to tax those engaged in any pursuit in such a way as to threaten their ruin. I am not going to tell honorable members what my policy is. I had to say to a member of the Tasmanian House, who asked me what my policy was, "The best policy of the angels, if it were to the Opposition to-day would ruin the country to-morrow." Therefore, although I may have an angelic proposal to make, I am not going to submit it to honorable members to-night. I know that the land is sufficiently taxed already, and I do not know whether any Ministry which brought forward a proposal for taxing the land, or, in fact, any system of direct taxation, would live very long.

MR. MAUGER.—What would the honorable member do if such a proposal were brought forward by a Ministry to which he belonged?

SIR PHILIP FYSH. — I think I should retire. Before I joined the Ministry I knew the whole policy of the Government as outlined in his Maitland speech, and adhered to it throughout. I believe that one of the results of repealing the Braddon section would be to bring about a proposal for the taxation of land, and, further, I fear that it would continue to expend money at the present

it will be necessary, even with the Braddon section still in operation, to adopt some system of direct taxation. We are right up to our limit now.

Sir JOHN FORREST.—Not at all; we have £400,000 or £500,000 left yet.

Sir PHILIP FYSH.—That may be all very well so far as New South Wales and Victoria are concerned, but if I went to the people in any of the smaller States, and suggested that the Commonwealth should appropriate all the money to which the Treasurer has referred, they would exclaim, in the words of Mercutio, when he was wounded by Tybalt, "A plague o' both your houses." They would add, "Do as little as you can; the less you do the better. The public can support themselves, even against bad legislation, but give us as little of that as possible." They are satisfied to let things go on as they are, without fresh taxation or anything else. I have not said more than half I had intended to say, but I find that my voice is failing me. After the last general election I entirely lost my voice, and if I strain my vocal chords too much I may be visited with similar consequences again. In conclusion I would commend to honorable members the two or three points which I have presented to them, and I hope that they will give them serious consideration. Although this debate may have no direct result, I think that the exchange of ideas which has taken place will prove profitable. I thank the Treasurer for the important budget of statistics which he has published with his speech. I am gratified that he was able to give us, and truthfully so, an optimistic statement. I believe that what we are able to say of the Commonwealth to-day we shall hereafter be able to repeat in still higher degree; that we shall be able to tell the world not only that we are holding our own, but that we are enjoying peace, plenty, and happiness in one of the best countries in which a man can live.

Mr. STORRER (Bass).—It was not my intention to take part in this debate, but I think it desirable to refer to one or two matters which have been mentioned by honorable members. I was very pleased to hear the Treasurer say that he believed in spending during the financial year the money voted on the Estimates. I think that we should be very careful before we vote any money, because it is necessary to exercise economy, but when funds are once appropriated they should be disbursed as

far as possible during the year for which they are voted. I find that £10,000 of the money voted for expenditure in Tasmania last year has to be revoted. I do not censure the present Government or the late Government for this result, because we have had so many changes under our present system of party government that it is difficult to know upon whose shoulders to lay the blame. It is important that the money voted for the year should be spent during that period, because under our present system of revoting unexpended balances our expenditure is represented as much greater than it actually is. I think that the suggestion made by the honorable member for South Sydney for the appointment of a Finance Committee is an excellent one. It is impossible for honorable members to discuss matters of detail in connexion with our financial affairs, and when frequent changes of Government occur the Treasurer is also placed at a great disadvantage. A Finance Committee would be in a position to keep itself in continuous touch with the details of the Commonwealth expenditure, and enlighten us considerably with regard to many matters in respect to which it is now impossible to obtain full information. I find that of £335 voted last year for the purchase of overcoats for the members of the Defence Force, in Tasmania, only £5 was spent. That seems a very small sum indeed if any vote was necessary last year.

Mr. BATCHELOR. — Did they have any rain in Tasmania last year?

Mr. STORRER. — Certainly. They must either have experienced a very mild winter there or there must have been very few volunteers. Again, though a large expenditure was sanctioned in connexion with the defence of Hobart, the vote was not expended. I understand that the work in question has now been put in hand. A great delay also occurred in the opening of the new post-office there. Only last Easter I saw the windows of that building placarded with advertisements. That was the only use to which it was being put at that time. However, I am glad to know that the building was opened last week, and consequently I do not intend to complain further upon that ground. In connexion with the post-office, I observe that £3,000 was voted last year, which was not expended. There are many other unexpended balances. Some time ago I

endeavoured unsuccessfully to get a little board erected at a small country post-office for the convenience of those who wished to send telegrams. That work would have cost about 5s., but I could not get it carried out. Yet I find that last year £200 was voted for incidental expenses in Tasmania, which were not incurred. I wish also to call attention to the expenditure upon public works, which has already been referred to by the honorable member for Boothby. I find that the proposed expenditure in New South Wales is £99,777; in Victoria, £69,724; Queensland, £31,787; South Australia, £31,009; Western Australia, £73,718; and Tasmania, £11,196. In other words, the expenditure to be incurred in Western Australia during the current year is equal to that in Queensland, South Australia, and Tasmania, notwithstanding that the population of those States is nearly four times that of Western Australia. I am aware that a large outlay is necessary to erect fortifications at Fremantle.

Mr. CARPENTER. — A large portion of that expenditure consists of re-votes.

Mr. STORRER. — But I would point out that in Tasmania and the other States, large sums have also been re-voted. Whilst it may be necessary to incur a large expenditure upon the defence of Fremantle, it is equally necessary that other places should be defended.

Mr. CARPENTER.—We shall have to pay for all defences, sooner or later.

Mr. STORRER. — We ought to deal with these questions in a Federal spirit, and in this connexion Western Australia should not possess an advantage over the other States. Any new expenditure for defence must be paid for by the Commonwealth; but the States are still paying for the defence works which they erected years ago. If we spend £20,000 upon defence works in Western Australia, we ought to pay interest to the other States upon the expenditure which they have incurred in the same direction. Last year I endeavoured to get the mails to the islands in the Straits carried by steamer in lieu of the sailing boat which is at present employed. Years ago they were carried by steamer, and a regular service was thereby insured. But, owing to some action on the part of the State Government, a sailing boat was substituted, with the result that the present service is a very irregular one. I trust that this matter will receive early attention,

with a view to making the change which I suggest. In the course of this debate we have heard a good deal about the steps we should take to induce settlement upon the land. During the time that I have occupied a seat in this House, I have done my best to secure to residents in the backblocks the privilege of being allowed to post their letters by trains, without being called to pay an extra fee. A man may perhaps journey ten miles to meet a passenger, or in the expectation of receiving a parcel by train; but if he wishes to post a letter by that train he must either be at the railway station an hour before its arrival, or pay an additional fee of one penny. Seeing that residents in the city enjoy every convenience in regard to postal matters, surely some consideration might be extended to settlers in our remote country districts. Reference has been made to the question of the transfer of the States debts. I was one of those who opposed the draft Constitution Bill, because I foresaw that it would involve the people in additional expense without affording them any compensating advantage. But if any saving can be effected, as the result of Federation, it will certainly be made by the solution of that problem. If it had not been for the frequent changes of Government which have taken place, I think that the question would have been dealt with before now. I was sorry to hear the disparaging remarks which were made by one honorable member concerning the ex-Treasurer, the right honorable member for Balaclava. I believe that no abler Treasurer could be found, and therefore I am impelled to the conclusion that the honorable member to whom I refer was more in jest than in earnest. I do not think that the Braddon section affords any real protection or safety to the States, and for that reason I think the question of whether it is extended or not is immaterial. Mr. John Henry, who, although a free-trader, and as such is politically opposed to me, is one of the ablest financiers in Tasmania, has pointed out in letters to the press—one of which was quoted by the honorable and learned member for Northern Melbourne—that even if the Braddon section were continued, and the Commonwealth required more than one-fourth of the Customs revenue, it would be open to us to impose direct taxation. That being so, the Braddon section affords the States no safeguard.



Mr. McWILLIAMS.—But the Commonwealth Parliament would have to take the responsibility of imposing direct taxation.

Mr. STORRER.—We have to accept responsibility for everything that we do. It is for the electors themselves to see that they return those who will be prepared to practice economy, and thus to save the States from unnecessary taxation.

Mr. McWILLIAMS.—But we ought to retain the safeguard of the Braddon section.

Mr. STORRER.—I repeat that, in my opinion, it is not a safeguard, but if the States believe that it is, and, being afraid of extravagances on the part of the Federal Parliament, are anxious that it shall be continued, I shall offer no objection to that being done. Much has been said in reference to the sugar industry. I was one of those who visited Queensland some months ago to investigate the question, and I made an independent inquiry as to the employment of black labour, the effect of the sugar bonus and other matters associated with this important subject.

Mr. WILSON.—The parliamentary party went at the wrong time of the year.

Mr. STORRER.—As a member of that party, I went at the right time, having regard to my own personal comfort. I went when I was invited. The Government of Queensland courteously extended an invitation to members of the Federal Parliament to visit the sugar-growing districts of the State, and it may be assumed that they selected the right time for the inspection. It is ridiculous to say that we went there at the wrong time. Surely, as men who are not accustomed to the tropics, we could not be expected to go to Northern Queensland to test whether or not the climate is suitable for the employment of white labour in the cane-fields. It would be just as unreasonable to ask us to do that as it would be to call upon those who are unused to working in the open air to labour in the harvest fields of Tasmania. The question is not whether any member of the Parliament can work in the cane-fields, but whether white labourers generally can do so. I am not going to express an opinion on that point, but shall quote a remark made by Mr. Draper, who is strongly in favour of black labour, and has been engaged for many years in the sugar-growing industry near Cairns. That gentleman said, on the occasion of the parliamentary

visit, "I am not fool enough to stand here and say that a white man cannot do the work."

Mr. McDONALD.—He is the greatest opponent we have in the north.

Mr. STORRER.—He is strongly opposed to the principle of a White Australia.

Mr. WILSON.—He said that it was uncomfortable for a white man to work in the cane-fields of Northern Queensland.

Mr. STORRER.—It is even uncomfortable at times to remain in this Chamber. Sometimes it is very hot, and at others it is very cold; but still we manage to live. I went to Queensland with a perfectly open mind, determined to study the question free from all party feeling, and I came to the conclusion that a mistake had been made in giving a fixed bonus for five years instead of on a sliding scale. Whatever decision we may arrive at as to the continuance of the system, I hold that we should allow the bonus to gradually taper off. It would be wise probably to allow the planters the full bonus for another three years, and at the end of that period to reduce it by one-third per annum for the succeeding three years. The whole system would thus disappear at the end of six years.

Mr. FISHER.—Would the honorable member also do away with the Excise duty?

Mr. STORRER.—I do not believe that we should have an Excise duty on white-grown sugar, any more than I do that we should have an Excise duty on furniture, potatoes, or anything else that is manufactured or produced here. Why should there be an Excise duty on sugar produced in Federated Australia? I should not object to a black man working in the cane-fields, as long as he received the same wage as that allowed a white man, because I think that the one is as good as the other; but I have never believed in the importation of coloured men to work at low wages. I have always been opposed to the condition of semi-slavery under which these coloured labourers have been working.

Mr. WILSON.—They have not been subject to that condition under the Griffith regulations.

Mr. STORRER.—I remember hearing Dr. Paton, who knew more about the coloured men of the South Sea Islands than any of us do, saying, thirty years ago, that

kanakas were brought from the islands to work in Australia in almost a state of slavery. They were brought to Australia subject to the condition that they would be returned to their island homes at the end of three years, and every coloured man to whom I spoke on the sugar plantations expressed the desire to be returned to his island. I do not include within this category the coloured men living in Rockhampton, who called upon the members of the parliamentary party, and asked that they might be permitted to remain. I do not think that any one anticipated when the Pacific Island Labourers' Bill was before Parliament that coloured citizens who had lived for thirty or thirty-five years in Australia would be deported under its provisions, and I fail to understand how these men could have been led to believe that they would be deported. But some persons are ready to make any statement in order to serve a party purpose. As an illustration of this, I may mention that a coloured man in Launceston, who earns his livelihood as a chimney sweep, was led to believe that he would be deported in a short time. He came to me shortly before I left Tasmania to attend the Parliament, to learn whether this statement was correct, and he informed me that he had a wife and a large family, whom the Government of the State or of the Commonwealth would have to maintain if he were deported. This case shows to what extremes some persons will go when they are anxious to arouse feeling against a party. I do not know that it is necessary for me to refer at greater length to the question of the sugar bounty, because a Bill relating to the subject will be submitted to us. I quite agree with the remarks made by the Treasurer as to the detractors of Australia. After reading *Canada as it Is*, I feel that it would be well if we had in Australia a little more of the spirit that actuates the people of the Dominion. The Canadians will hear nothing said against their country, for with them Canada is everything that is good. When we realize the progress that Australia has made within a comparatively few years we have a right to be proud of our position. We have everything which nature can provide us with, and all we want is the true courage to go forward and develop our resources. There is one difficulty which stands in the way, and that is that some matters are managed by the Commonwealth, and others by the States. I trust, however,

*Mr. Storer.*

that we shall be enabled to work to for the good of the whole community, so our resources may be more fully developed than they have been. I hope there are many men who hold the same opinion of the people of Australia, and the members of its Parliament, as does the Treasurer of Tasmania, who was pleased in his letter last week to refer to the representatives of that State in this House and in the Senate as not truly representing its interests. I do not take that statement to refer to me personally, for I am here, not of my own will, but because the electors sent me there as they did every other representative of Tasmania. When the Treasurer of the State passes a reflection on its representatives here, he passes a reflection on the wisdom of the electors. I am very sorry that he spoke as he did. I think that great mistakes are made by State Treasurers in referring to the Commonwealth as they do, with reference to matters of expenditure. It was known by every one in Tasmania who cared to think that there would be a large expenditure in connection with the Commonwealth, and that the State would lose a large amount of revenue through Inter-State free-trade, as its produce is imported largely from Sydney and Melbourne. For the Treasurer of the State to refer to the Commonwealth for any loss of that kind, when the people who cared to look to the other side of the question knew that such would happen, is, I think, altogether beside the mark. I trust that States Treasurers, instead of saying anything which is likely to stir up strife between the States and the Federal Parliament, will all work together for the good of Australia. I hope that the next Budget will be found to be better than the present one, that the moneys which we may vote will be spent to the good of the various States, and that we shall hear no complaints of votes not having been spent. I have more details to refer to, but I shall reserve my remarks until the items to which they refer have been reached. I shall conclude with the expression of my hope that the anticipations of the Treasurer will be fully realized.

Mr. LIDDELL (Hunter).—One has to look round the Chamber and see the weary appearance of the majority of the honorable members to know that this is an early day. As it is the custom to rise early on Tuesday, I ask the Prime Minister if he will consent to adjourn?

Progress reported.

# STANDING ORDERS COMMITTEE.

## RETIREMENT OF MR. McLEAN.

Mr. DEAKIN (Ballarat—Minister of External Affairs).—At the request of the honorable member for Gippsland, and with great regret, I move—

That the honorable member for Gippsland (Mr. McLean) be discharged from attendance on the Standing Orders Committee.

Honorable members are aware that the honorable member for Gippsland, in spite of our request and remonstrance, has thought fit to retire from this Committee. There are, perhaps, reasons of health for that, apart from the questions which were discussed in the Committee.

Mr. JOSEPH COOK (Parramatta).—I know that several honorable members desire to make some observations on this matter, and at this hour I ask the Prime Minister to consent to an adjournment of the debate.

Mr. DEAKIN. — What purpose can be served if the honorable member wishes to retire?

Mr. KELLY.—The honorable member for Gippsland is absent.

Mr. DEAKIN. — The honorable member was aware that I would take this means of bringing the matter on.

Mr. JOSEPH COOK. — Apart altogether from the honorable member for Gippsland, I think it is a matter of some importance.

Mr. CHANTER.—These observations could be made when the new standing order is before the House.

Mr. JOSEPH COOK.—I am not yet aware that any new standing order is to be brought on.

Mr. DEAKIN. — If there is not, what cause of complaint is there?

Mr. JOSEPH COOK.—Will the honorable and learned gentleman say that it is intended to submit a new standing order?

Mr. DEAKIN. — I cannot say that definitely—probably it is.

Mr. JOSEPH COOK.—It is quite unfair to take a matter of this importance at this hour.

Mr. DEAKIN.—It is only a formal motion when the honorable member concerned wishes it to be moved.

Mr. JOSEPH COOK. — It is not a formal motion by any means.

Mr. DEAKIN.—It must be when it is moved at the honorable member's request.

I do not wish the House to pass it. I would rather that the honorable member for Gippsland did not retire.

Mr. JOSEPH COOK.—I ask the Prime Minister to consent to an adjournment.

Mr. DEAKIN.—When the honorable member for Gippsland asked me to bring on the motion as early as I could I asked him to allow me to do so to-night, after the Committee of Supply had reported, and he agreed. He said he did not wish the matter to be delayed.

Mr. JOSEPH COOK.—Does that settle the matter?

Mr. DEAKIN.—So far as he and I are concerned it does.

Mr. JOSEPH COOK.—No doubt the honorable member for Gippsland wants the matter brought forward at the earliest possible moment; but I take exception to the remark of the Prime Minister that it must necessarily be a formal matter. It is anything but that.

Mr. McDONALD.—Is there any need for a motion at all?

Mr. JOSEPH COOK.—I do not know; the honorable member should address that observation to the Prime Minister. So far as I know there will not be any unreasonably long debate. I had no idea of that sort in my mind when I asked for an adjournment.

Mr. THOMAS.—What debate can there be when the honorable member for Gippsland wishes to retire?

Mr. JOSEPH COOK.—Will the honorable member hold his tongue for a moment?

Mr. SPEAKER.—The honorable member should not speak in that way to another honorable member.

Mr. JOSEPH COOK.—May I ask you, sir, to protect me from the constant interruptions of the honorable member?

Mr. SPEAKER.—If any interruptions had taken place which seemed to me of such a character that they should be checked, I should have checked them; but for the honorable member to speak as he did is not, as he must know, in accordance with the duty which honorable members owe to each other.

Mr. JOSEPH COOK.—I am glad, sir, to take your rebuke at any time. If the Prime Minister declines to accede to my request, the matter must remain there.

Mr. FISHER (Wide Bay).—I am very much alarmed at the new feature.

Mr. JOSEPH COOK.—Do I understand, sir, that I am taken to have spoken?

Mr. SPEAKER.—I have no doubt that if the honorable member so desires the House will permit him to continue his speech; but, technically, he completed his speech when he resumed his seat.

Mr. FISHER.—I have no wish to continue the debate.

Mr. JOSEPH COOK.—I appeal to the Prime Minister to postpone this debate until to-morrow.

Sir JOHN FORREST. — It need not have been brought on at all.

Mr. JOSEPH COOK.—Not at all?

Sir JOHN FORREST.—Not at the present time.

Mr. JOSEPH COOK.—Do I understand that the Prime Minister will not consent to an adjournment?

Mr. DEAKIN.—I really feel at a loss. I was asked by the honorable member for Gippsland to bring on the motion to-night, and do not see that I can be relieved from my promise.

Mr. JOSEPH COOK.—I wish to speak on this question; but I am not prepared to do so at this hour. If the Prime Minister chooses to treat the matter in this way I shall have to put up with it, I presume; but I desire to enter an emphatic protest against this method of dealing with an important matter of this kind.

Mr. DEAKIN.—It relates only to one member, and I am moving at his request.

Mr. JOSEPH COOK.—It relates to more than one member. It relates to a resignation from the Standing Orders Committee, which affects the whole House. We want to know why the honorable member for Gippsland has resigned from this important Committee—this supreme Committee of the House. When a man of his standing and reputation retires from a position of that kind, the least we should have is a statement of reasons from the Prime Minister, who is also a member of the Committee.

Mr. DEAKIN.—I did not wish him to resign. I regret that he has done so.

Mr. JOSEPH COOK.—But the Prime Minister might have given some reasons for the resignation, and might have made a statement to the House concerning matters which led up to it. We all know that it has reference to the framing of a new standing order, which is not now before the House. It is quite an anomalous thing that we should be discussing this resignation, and that the standing order

to which it has reference should be kept back from the House.

Mr. McDONALD.—Why not discuss all the Standing Orders? This is only one.

Mr. JOSEPH COOK.—Why not something else all the time? The Government corner seems to be the "why not" corner.

Mr. TUDOR. — The amendment of the Standing Orders was the whole of the late Government's programme; they had nothing else to propose.

Mr. JOSEPH COOK.—After all the ridicule of the proposal to amend the Standing Orders, it now seems that one of the most important proposals, in the view of honorable members opposite, is an instruction to the Standing Orders Committee to frame a new standing order of their own.

Mr. BATCHELOR.—But that is not our whole programme.

Mr. JOSEPH COOK.—Is it not? I apprehend that we are well aware of that. We have been made aware of it by the business-paper of the House.

Mr. WATSON.—The late Government proposed nothing but the amendment of the Standing Orders.

Mr. JOSEPH COOK.—I am replying to the statement that this is not all the programme of honorable members opposite. The business-paper is full of their programme, and the members of the Government like lambs are carrying it out. I congratulate my friends in the Ministerial corner upon having their own way so far as schemes of legislation are concerned.

Mr. CHANTER.—What has this to do with the motion?

Mr. JOSEPH COOK.—Nothing; nor has the honorable member's interjection anything to do with it. I make my protest against this attempt to bludgeon this motion through at this hour of the night. It is a preposterous thing to do. The Prime Minister is not treating the House fairly over the matter, nor is he treating the Opposition fairly. If the Prime Minister is not able to control the House, and to pass legislation with a proper regard to what is due to the Opposition, and with a regard to reasonable hours and reasonable conditions, he ought to get out of his present position, which is no longer tenable.

Mr. WATSON.—That is the trouble.

Mr. JOSEPH COOK.—It is no longer tenable for any man who has any regard for the decencies of Parliament. That may be a matter for honorable members in the corner to be amused at.

Mr. THOMAS.—Fancy the honorable member lecturing us on the decencies of Parliament!

Mr. JOSEPH COOK.—The honorable member for Barrier does more lecturing in the House than any one I know. I am not lecturing any one. My only complaint about him is that he does not get on to his feet when he wishes to lecture. He sits in the corner and does it. I should admire him more if he would rise in his place, instead of interrupting people who are trying to conduct the business of Parliament. It is an outrageous thing to bring this matter forward at this stage, and expect it to go through as a formal matter. I had some observations to make upon it, but I cannot make them instant. But I assure my honorable and learned friend, the Prime Minister, that if he thinks that this course will lead to the settlement of the matter without due debate, he is making a very great mistake. If he is prepared to deal with us fairly, and to allow the matter to be treated reasonably, so far as I know there will be no prolonged debate.

Mr. BAMFORD.—That is a threat.

Mr. JOSEPH COOK.—Nothing of the kind. I am merely making a reasonable assertion of the rights of the Opposition. I hope that we have some rights left. We do not hold caucuses, indicate our decisions to the Government, and expect them to be carried out. We make our opinions known to the Government in the broad light of day. Honorable members in the corner have a secret subterranean way of indicating their decisions to the Ministry, and they get their wishes put through in a manner which I have no doubt pleases them.

Mr. THOMAS.—Is that how the honorable member did it when he was leader of the Labour Party in New South Wales?

Mr. JOSEPH COOK.—I never was leader of the Labour Party in the sense in which it has a leader to-day.

Mr. TUDOR.—That is a qualification.

Mr. JOSEPH COOK.—There is no qualification. I am simply stating facts. I hope we have not got to that pitch in Parliament when the domination of a caucus shall rule, and when proper consideration will not be paid to the wishes of those who desire to have a reasonable opportunity for debate. Here is an important proposal, affecting the resignation from the Standing Orders Committee of an honorable member, who has been a member of this House for five years, and was previously a prominent man in State politics

for twenty-five years. He has felt impelled to resign as a protest against what he regards as an unwarrantable and unreasonable interference with the rights of the members of this House. The members of the Labour Party ought to be the first to see that a matter affecting the privileges of Parliament is reasonably debated. Yet they are trying to poke fun at any proposal of the kind now. They are amused at it. Of course, all they have to do is to be solid. They can carry through any kind of cronk business, so long as the caucus is solid behind it. And I say that this is as cronk a piece of business as I have ever seen proposed to a deliberative assembly.

Mr. WATSON.—The honorable member lacks a sense of proportion when he talks of there being anything cronk in this business.

Mr. JOSEPH COOK.—I do not go to the honorable member for lessons in political proportion, though I might go to him for lessons in political *finesse*.

Mr. WATSON.—I cannot teach the honorable member much in that line.

Mr. JOSEPH COOK.—I think the honorable member can. At any rate, he has a way of getting his will by means of which we on this side do not seem to be masters. Until we know his secret, we must potter along in our own way.

Mr. SPEAKER.—The honorable member must speak to the question.

Mr. JOSEPH COOK.—I shall, of course, abide by your ruling, sir; but one must make some reply to these persistent interjections. I ask the honorable member reasonably—

Mr. DEAKIN.—Is this the honorable member's idea of asking reasonably?

Mr. JOSEPH COOK.—I think I was putting a reasonable request to the Prime Minister for ten minutes at least after I rose. Now, when, owing to the Prime Minister's contemptuous silence, I make a remark of any kind, he fastens on to it and asks whether it is reasonable. I shall make no more requests to the Prime Minister. Whatever results in the way of discussion, I hope he will not attribute it to any desire to block the business of Parliament. But we propose to discuss this question, and, in spite of whatever the Prime Minister may do, we will discuss it.

Mr. WATSON (Bland).—I do not see the necessity for the display of heat on the part of the honorable member for Parramatta. If this were a proposal to pass a

new standing order at this hour of the night, I could understand the objection raised.

Mr. JOSEPH COOK.—The Prime Minister will not even say that there is going to be a new standing order.

Mr. WATSON.—I should be quite willing to assist in preventing any action of the kind I have indicated. It is only proper that members should have a reasonable opportunity to discuss every important proposal, whether introduced by the Government or by a member of the House. In this case, however, the simple question at issue is whether a certain gentleman who desires to be relieved of his attendance on a Committee shall or shall not be relieved.

Mr. JOSEPH COOK.—Have we no right to discuss the resignation?

Mr. KELLY.—Or the reasons which led up to it?

Mr. WATSON.—I do not say there is no right, but I do say there is no great need, in the public interest, to discuss the matter.

Mr. JOSEPH COOK.—That is the honorable member's opinion.

Mr. WATSON.—In deference to the honorable member for Parramatta, who is so touchy to-night, I will say that, in my opinion, there is no need, in the public interest, to discuss the question now. Before any action can be taken, the standing order about which I am told all the trouble has arisen will come before honorable members, and may be discussed at length. I have sufficient confidence in the methods of the Opposition to rely on the matter being discussed at length.

Mr. LIDDELL. — We are not sure the standing order will come before us.

Mr. WATSON.—If the standing order does not come before us, in what way is the honorable member aggrieved? That interjection would tend to show that the Opposition are only anxious to get a grievance, or to be able to say that they are being deprived of their rights.

Mr. LIDDELL.—I am speaking personally, and not for the Opposition.

Mr. WATSON.—I trust that, as the honorable member for Gippsland has asked to be relieved of his attendance on the Committee, honorable members will consent to reserve the discussion of whatever principle is involved until the standing order is before us, and may be discussed in all its bearings.

Mr. KELLY (Wentworth).—The honorable member for Bland has rolled up with

all his merry band of followers to endeavour to push through the House a certain proposal. What are all the honorable members doing in the corner to-night? We have not seen such a House since the session began. The honorable members are here for no good purpose, we may be sure. They are here to assist the Government to drive through a motion which presents the only opportunity we have to discuss the causes which led to the resignation of the honorable member for Gippsland.

Mr. DEAKIN.—Unfortunately, that matter will be before us too frequently for discussion.

Mr. KELLY.—Will the Prime Minister say that he proposes to submit the new standing order to the House?

Mr. DEAKIN.—I shall give notice of any intention to do so.

Mr. KELLY.—The Prime Minister probably recognises that the proposed standing order is unconstitutional, and, consequently, he now seeks at this late hour to get the proposal off the notice-paper, so that it may be dropped before there is any opportunity for discussion. But a rather regrettable attempt has been made on the liberties of the House. An effort has been made to force through the Standing Orders Committee a certain proposal designed not in the interests of the House, but in order to ease the Government in its control of the House—and certainly the control requires easing—by a means which I do not think reflects credit on its originator or the Government who supported it. It is a great pity that the Prime Minister does not see fit to consent to an adjournment, because the House, after honorable members have been travelling all night, is certainly not in a state to calmly discuss a question affecting its liberties. I do not know whether I shall be in order in referring to the causes which led to the resignation of the honorable member for Gippsland. The new standing order of which we have heard, would enable the business of the country to be carried on anywhere within the precincts of the House, and that is surely a proposal which we ought not to indorse. That, I take it, is the cause of the honorable member's resignation, and, therefore, I assume I am in order in as briefly as possible going into the question.

Mr. SPEAKER.—The position is that it is not in order to discuss at any time in the House, until a Committee has reported,

any proceedings of a Committee; and, therefore, it is impossible that we can to-night, or at any time, until the Standing Orders Committee has reported, discuss any proceedings that it may have taken, or proposes to take. But I recognise all the difficulties of the case, because it is understood there are reasons, resulting from the work of the Committee, why the resignation was tendered, and why the assent of the House is sought to be obtained. Therefore, those phases of the question, I must rule, are open to discussion. The question may be fairly debated now as to whether the honorable member for Gippsland has, or has not, been fairly treated by the Standing Orders Committee. Honorable members may discuss the reasons which led the honorable member to retire—reasons which, I understand, he stated in the House as sufficient. But as to the wisdom or unwisdom of the proposed standing order, any matter bearing on its acceptance by the House or otherwise would present phases which could only be discussed when the Committee reports, and then only if the report contains the suggested standing order.

Mr. KELLY.—Thank you, Mr. Speaker; I think that makes the position very clear. In order to keep myself within your ruling, I shall for the moment place myself in the position of the honorable member for Gippsland, when confronted with the proposal which members of the Government and their supporters in the Committee asked him to indorse.

Mr. McDONALD.—The Government had nothing to do with it.

Mr. KELLY.—The honorable member for Gippsland recognised that the proposal would, without any doubt, lead to a false system in our legislative methods—that it would lead to a system whereby honorable members could be said to be carrying out their legislative duties when—and I say this in no invidious sense—they were in the billiard-room or the refreshment-room upstairs. The honorable member for Gippsland naturally realized, in such circumstances, that this Chamber is the only proper arena for legislative effort. That is shown by the honorable member's resignation. The honorable member has given evidence that he realizes that the right of the people to govern themselves, through their representatives, demands that there shall always be a quorum in this Chamber to insure that every measure submitted to Parliament shall

receive consideration. In order that that right of the people might be properly safeguarded, it was actually provided in the Federal Constitution, in section 39, that—

Until the Parliament otherwise provides—

not until the Standing Orders Committee otherwise provides, but until the Parliament, which comprises not only this House, but both Houses of the Federal Legislature otherwise provides—

the presence of at least one-third of the whole number of members of the House of Representatives shall be necessary to constitute a meeting of the House for the exercise of its powers.

That safeguard was definitely inserted in the Constitution in order to insure the fair discussion of all measures submitted to this Parliament. The people have decided that at least one-third of their representatives must be present in this Chamber before any measure under discussion can be said to have received fair consideration. The honorable member for Gippsland was obviously correct in taking the view that the proposal which he was asked to indorse is one which strikes at the very root of the principle underlying section 39 of the Constitution. A number of inroads have been made upon the representative character of our institutions, and it is all the more necessary that we should have no more of them. Honorable members do not appear to recognise their high duty to the people of Australia in the exercise of their representative position as members of this House. The honorable member for Bland, when this matter was last discussed, told the House that, at any rate, he did not believe in such fair discussion as members of the Opposition were giving to all the contentious measures submitted by the Government. The honorable gentleman laid down what he regarded as his duty in the matter. He said that he would be prepared to stay within the precincts of the Chamber, and to come in and make a quorum whenever the Government desired.

Mr. LIDDELL.—I beg to draw attention to the state of the House. [*Quorum formed.*]

Mr. KELLY.—I take it that the honorable gentleman has a duty far higher and more comprehensive than that which he outlined so simply. He owes a certain duty to his constituents, and probably, after hearing his statement on the subject, they will demand that he shall pay some attention to it.

Mr. BAMFORD.—Does the honorable member think that they will demand that the honorable member for Bland shall come here and listen to twaddle like this?

Mr. WILSON.—Is the honorable member for Herbert in order in describing the remarks of the honorable member for Wentworth as "twaddle"?

Mr. SPEAKER.—I am sure the honorable member for Herbert will withdraw the remark, since it has been objected to.

Mr. BAMFORD.—I withdraw it.

Mr. KELLY.—I regret that these interruptions should tend to make my speech longer than it would otherwise be. I was explaining that the honorable member for Bland told us the attitude he proposed to take up, and I contend that his duty to his constituents is more comprehensive than that which he has laid down.

Mr. HUTCHISON.—On a point of order, I wish to know if anything which the honorable member for Bland proposes to do has anything to do with the motion before the House?

Mr. SPEAKER.—It has nothing whatever to do with the motion. At the same time, the honorable member for Bland has spoken, and the honorable member for Wentworth is entitled to reply to any remarks made by the honorable member for Bland bearing on the question.

Mr. HUTCHISON.—The references by the honorable member for Wentworth have been to something which the honorable member for Bland said on another occasion, and not to what that honorable gentleman said to-night.

Mr. SPEAKER.—I was not listening at the moment, and if the honorable member for Wentworth refers to such remarks, he is not in order.

Mr. KELLY.—I was saying, before the numerous interruptions to my speech took place, that the honorable member for Gippsland, confronted as he was with such a proposal as that out of which the motion now before us has arisen, necessarily recognised that the right of the people to have measures submitted to Parliament properly considered was in danger of being infringed. I was pointing out also that in view of the apathy with which, during this session, the House has treated all public measures, the action taken by the honorable member for Gippsland was the more necessary. I mentioned that the honorable member for Bland had distinctly stated in this Chamber that he regarded

his public duty as no more than coming in and making a quorum for Government whenever they desired. The question of the formation of a quorum at the root of the resignation of the honorable member for Gippsland, and the honorable member for Bland has so much weight—not in this Chamber, but in its precincts—I take it that all that is forward as to the duty of honorable members in making a quorum will be referred to the debate. Am I in order in asking that?

Mr. SPEAKER.—The honorable member is in order so far.

Mr. KELLY.—The honorable member for Bland is absolutely wrong in laying down such a code of behaviour as that which he attempted to lay down. It is his duty to his constituents, he has sworn to his party. There is a party in this country which has definitely laid down that its representatives in this Parliament must have no open honest alliance with representatives of any other party.

Mr. SPEAKER.—The honorable member is not now discussing the question.

Mr. KELLY.—Of course, I bow to the ruling, and will merely add that, as the honorable member for Bland has put his views of his own duty very simply, it is his duty as a member of the Labour Party to come forward and carefully consider every measure submitted to the House. What advantage is gained from the honorable member's being in at odd moments and making a quorum whenever the Government is awakened to its duty to keep a quorum? Surely this Chamber is the proper place for the consideration of measures. Are the people's liberties to be safeguarded if measures are to be considered in the House and then rushed through this House without the support of a majority?

Mr. SPEAKER.—The honorable member is not now complying with the ruling. I have just laid down at his request that he is discussing the merits of the proposal, standing order, a discussion which should take place only when the Standing Orders Committee reports.

Mr. KELLY.—I was not intending to infringe your ruling, sir. I thought I should be in order, because you have laid down that I should be entitled to state the reasons which may have prompted the honorable member for Gippsland in coming forward from the Committee.



Mr. SPEAKER.—The honorable member would be in order in doing that; but such a discussion does not authorize the discussion of the merits of the proposed standing order. It may be suggested that the honorable member for Gippsland had not been fairly treated by the other members of the Committee, or that for some other reason he had a right to retire; or it may be argued that he should or should not have withdrawn; but none of these arguments will permit the discussion of the proposed standing order.

Mr. KELLY.—Then I shall proceed to discuss whether the honorable member for Gippsland was properly treated by the other members of the Committee. All I know is that he went to this meeting—I think that we have his words in this Chamber for it—and was suddenly confronted with this wild proposal. There was no notice given to the Standing Orders Committee of the proposal, which undoubtedly calls in question all constitutional right and authority. He and another member of the Committee, who also sits on the Opposition side of the Chamber, suddenly found themselves confronted with a motion which must have been sprung on the Committee. When the honorable member saw the serious and far-reaching effect—

Mr. McDONALD.—I ask if the honorable member is in order in discussing something which he supposes to have taken place in the Standing Orders Committee? If he is allowed to pursue this course, a misrepresentation of what happened will be made public, and that may compel some member of the Committee to break his bond of confidence, in order to put things straight.

Mr. JOSEPH COOK.—You have already ruled, sir, that not only the resignation, but the reasons leading up to it may be discussed. That discussion, of course, involves the statement made by the honorable member for Gippsland, and that again involves the discussion of the proposed standing order, and the course which was taken to bring it into existence.

Mr. SALMON.—The statement of the honorable member for Gippsland was made by way of personal explanation.

Mr. SPEAKER.—That fact, of which I was not previously aware, entirely disposes of the argument which I thought justified the discussion which was proceeding. The honorable member is taking a most unusual, if not unprecedented, course, in dis-

cussing, first of all, something which took place in a committee of the whole House not yet reported to us; and, in the next place, the proceedings of a committee of the House, which are not supposed to be noticed, the Committee not having reported. It seems to me that this is quite out of accord with parliamentary practice. I am in some doubt as to what rule to lay down, because I was not aware until just now of the fact mentioned by the honorable member for Laanecoorie. I regret that this discussion is taking place previous to the presentation of the Committee's report. If the honorable member for Gippsland desires to be relieved forthwith from attendance on the Standing Orders Committee, he has a right to ask for relief; but I beg the honorable member for Wentworth to confine his remarks to the desirability or undesirability of accepting the resignation of the honorable member for Gippsland without referring to the proceedings of the Committee.

Mr. KELLY.—I will certainly do so. In view of all the facts, it seems to be very undesirable that this resignation should be accepted. It is not the fault of honorable members of the Opposition that it has been launched on the House at a time when the House was not prepared to receive it. This is more than a resignation from an ordinary committee, and before I sit down I intend to move an amendment which will allow the House to state definitely whether it believes in the procedure adopted by the Government, or thinks that the Government should have acted in a way more worthy of its dignity, and with more regard to the rights of His Majesty's Opposition.

Mr. SPEAKER.—Before I can allow the honorable member to discuss his amendment, I must know its terms, because I am afraid, from what he has said, that it is an amendment which I cannot accept.

Mr. KELLY.—I wish to move the insertion of the words "not now" after the word "be."

Mr. SPEAKER.—That would be in the nature of a direct negative.

Mr. KELLY. Not exactly. The motion is that the honorable member for Gippsland be discharged—inferentially forthwith—from attendance on the Committee. I wish to propose that he be discharged, but not now.

Mr. SPEAKER.—I cannot accept such an amendment, because it would be a direct

negative. The motion, if carried, will free the honorable member for Gippsland from further attendance on the Committee, but the amendment would not.

Mr. LIDDELL.—I direct attention to the state of the House. [*Quorum formed.*]

Mr. KELLY.—On consideration, I cheerfully bow to your ruling, Mr. Speaker, because I think that you are perfectly right. I would ask the Prime Minister whether he cannot see his way to adjourn this debate. It will not be of the slightest use to go on to-night. If he will consent to an adjournment of the debate till to-morrow, and also promise to bring forward the motion relating to the new standing order, which has been the cause of all the trouble, in the immediate future, no difficulty will arise. It is important that honorable members should have an opportunity to discuss the question of principle underlying the resignation of the honorable member for Gippsland.

Mr. DEAKIN.—I cannot prevent honorable members from discussing the motion; they have every opportunity to do so.

Mr. KELLY.—Although members of the Opposition are prepared to transact non-contentious business as quickly as possible, they cannot be expected to accept everything that is offered to them. I propose to move that the debate be now adjourned.

Mr. SPEAKER.—The honorable member cannot move that motion at the conclusion of a speech. If he had moved that motion immediately after he had risen, I should have at once submitted it to the House.

Mr. KELLY.—I do not wish to say anything more at present, except to tell the Prime Minister that the action he has taken to-night will not conduce to the despatch of public business. I hope the Opposition will accept the challenge he has thrown out.

Mr. FULLER (Illawarra).—I regret that the Prime Minister has seen fit at this late stage of the evening to move a motion with regard to which honorable members of the Opposition feel very keenly, inasmuch as it seriously affects the privileges of honorable members. We all remember how quietly the Prime Minister gave notice of motion—so quietly that no honorable member could hear what he was saying. His conduct in that respect was quite in keeping with the way in which the proceedings of the Standing Orders Committee were carried out on a recent occasion, because

so far as I can understand, no intimation was given to members of the Committee that an important matter was about to be discussed. As the action taken by the Committee was considered by the honorable member for Gippsland to be of so much importance that he decided to send in his resignation, I should like to direct attention to the fact that, in section 39 of the Constitution it is provided that—

Until the Parliament otherwise provides, the presence of at least one-third of the whole number of the members of the House of Representatives shall be necessary to constitute a meeting of the House for the exercise of its powers.

Mr. SPEAKER.—Order. The honorable and learned member is now discussing the merits of the proceedings of the Standing Orders Committee.

Mr. FULLER.—I take it that the basis of the resignation of the honorable member for Gippsland was the action taken by the Standing Orders Committee in recommending the adoption of a new standing order relating to the quorum in this House.

Mr. SPEAKER.—I would direct the honorable and learned member's attention to the fact that if he succeeded in proving, not only that the proceedings of the Standing Orders Committee were unconstitutional, but that for many reasons, their recommendation was unworthy of being accepted by the House, neither of those points would touch the question of the resignation of the honorable member for Gippsland. The fact of the Standing Orders Committee having passed an unconstitutional standing order, or one entirely bad in principle, or injurious in practice, would not in itself be sufficient to justify a resignation. Therefore, I cannot allow the honorable member to discuss the merits of the proceedings of the Standing Orders Committee.

Mr. FULLER.—I take it that something very serious must have happened in the Committee to induce the honorable member for Gippsland to take such decided action.

Mr. THOMAS.—We can reject his resignation.

Mr. FULLER.—I do not wish to do that, because it would be ungracious on the part of the House.

Mr. THOMAS.—Then we can accept the resignation.

Mr. FULLER.—I would be no party to refusing to accept the resignation of the honorable member for Gippsland if he de-

sires to resign, but we should consider the causes which led up to that resignation. I understand that the honorable member's action was due to the proposal that a standing order should be brought into force which would defeat the intention of the provision in section 39 of the Constitution. I take it that that was the cause of the stand taken by the honorable member for Gippsland. I thought that I should have been in order in pointing out that, under the Constitution, "until Parliament otherwise provides," one-third of the total number of representatives in this House is necessary to constitute a quorum to enable it to transact its legislative business. It appears to me that the passing of a Bill would be necessary to alter the effect of that provision. I should have liked an opportunity to look into this matter carefully, with a view to discussing it thoroughly, and I regret that I am prevented from so doing by the manner in which it has been brought forward to-night. I cordially agree with the remarks of the deputy-leader of the Opposition, and I shall be only too glad to support him in any action he may choose to take.

Mr. MALONEY (Melbourne).—It seems to me that this motion has been brought forward as an act of gracious courtesy on the part of the Prime Minister, at the request of the honorable member for Gippsland.

Mr. JOSEPH COOK.—Did the honorable member for Gippsland ask that the motion should be submitted to the House?

Mr. DEAKIN.—Yes; he asked me to move it as soon as possible to-day.

Mr. JOSEPH COOK.—An unnecessary motion.

Mr. DEAKIN.—No; a necessary one.

Mr. MALONEY.—It is news to me to learn that, if any honorable member wishes to retire from a Committee, he is not at liberty to do so. I was not aware that it was necessary that a motion relieving him from his position should be submitted to the House.

Mr. SPEAKER.—That is so.

Mr. MALONEY.—From the press reports which have appeared it is patent that the honorable member for Gippsland wishes to resign his position as a protest against the action which the Standing Orders Committee propose to take. It appears to me that his conduct in that connexion is perfectly justifiable. I would resign my position ten times over

rather than act in opposition to my pledges. As some honorable members are aware, I endeavoured, when a member of the Victorian Parliament, to make the number constituting a quorum much higher than it was. I held that it was absurd that, in the House of Lords, a resolution in 1884 should have been carried by a majority of 39, and that three members constituted a quorum. My attitude in regard to that matter was indorsed by a large meeting which was held in Melbourne. Perhaps it would have been well if this motion had been submitted when the honorable member for Gippsland was present. A few words by him would, perhaps, have settled the matter.

Mr. WATSON.—He explained his position in the House on Friday last.

Mr. MALONEY.—He simply made a personal explanation. If the honorable member for Gippsland had been present I think that he would have followed the Prime Minister with a brief statement.

Mr. WATSON.—I think it is very doubtful, seeing that he explained his position the other day.

Mr. MALONEY.—That may be the opinion of the honorable member for Bland, but my acquaintance with the honorable member for Gippsland has been a little longer than his. If we are to have an all-night sitting, I am sorry that we should be kept here upon a little matter of this kind. It would have been much better to continue the discussion upon the Budget. Seeing that the honorable member for Gippsland has resigned his position on the Standing Orders Committee as a protest against the action of that body, I shall vote against the new standing order when it is submitted.

Mr. WILSON.—It was proposed by a member of the Labour Party.

Mr. MALONEY.—I am not responsible for that fact. Members of the Labour Party may make a few mistakes, but they do not commit half as many errors as do some honorable members opposite.

Mr. WILSON (Corangamite).—I am extremely sorry that the Prime Minister did not consent to an adjournment of this debate, to enable the matter to be discussed at a later date. Members of the Opposition have a perfect right to debate it if they desire to do so. This motion has been submitted by the Prime Minister at the instance of the honorable member for Gippsland. The latter has asked to be relieved

from his duties on the Standing Orders Committee, and we have had a full announcement in the daily press of the circumstances which led up to his resignation. As the honorable member for Melbourne has pointed out, the action of the honorable member for Gippsland is intended as a protest against something which took place at a meeting of the Standing Orders Committee. I regret that we cannot discuss that matter at the present moment. The daily press has clearly stated that this question is of considerable importance to this House and to the Commonwealth.

Mr. McDONALD.—Upon whose authority do they make that statement?

Mr. WILSON.—I cannot say. It is impossible to tell how these statements find their way into the newspapers.

Mr. JOSEPH COOK.—All these statements have since been confirmed by members of the Standing Orders Committee.

Mr. WILSON.—If they have not been confirmed directly they have been confirmed by the fact that members have been allowed to draw inferences which have not been disputed.

Mr. KELLY.—Before the honorable member deals with that aspect of the question, I wish to call attention to the state of the House. [*Quorum formed.*]

Mr. WILSON.—Quick and Garrahan's *Annotated Constitution of the Commonwealth* sets forth that the quorum of the majority of the legal number of members may be said to be the modern principle in general legislation, and yet we are asked to deal with this question at a time when honorable members are tired and unprepared to discuss it on its merits. We have a right to say to the honorable member for Gippsland that it is undesirable that he should retire from the Standing Orders Committee, inasmuch as his retirement would destroy the equality of representation. We have been led to believe that the honorable member for Kennedy, who is a prominent member of the Labour Party, and, doubtless, a great authority on parliamentary methods of procedure, brought forward the motion in question, and was guided by the practice obtaining in the House of Commons. I would point out, however—

Mr. SPEAKER.—The honorable member is now proceeding to argue the general question of the proposed standing order.

Mr. WILSON.—I should be sorry to transgress the Standing Orders, and would

point out that I am discussing a matter that has been referred to in detail by the press.

Mr. SPEAKER.—The honorable member will recognise that a mere statement in the press is very different from an actual report of a Committee of this House to the House, and that we have no right to assume that any press statement is correct or incorrect. Press statements are not a sufficient ground for discussion.

Mr. WILSON.—The press statements to which I refer directly bear on the motion. It is a matter for regret that the honorable member for Gippsland, who was for many years a member of the State Parliament, who is well informed in regard to methods of procedure, and is respected throughout the length and breadth of Victoria, should have so strongly resented something that took place in one of the Committees of the House as to feel impelled to resign his seat on that Committee.

Mr. KELLY.—I wish to call attention to the state of the House. [*Quorum formed.*]

Mr. WILSON.—I do not wish to detain the House any longer. I feel very strongly in this matter, and think it is necessary that honorable members of the Opposition should express their regret not only at the retirement of the honorable member for Gippsland, but that the incident which has caused him to send in his resignation should have occurred.

Question resolved in the affirmative.

## ADJOURNMENT.

STANDING ORDERS COMMITTEE: RETIREMENT OF MR. MCLEAN: ROYAL AGRICULTURAL SHOW.

Mr. DEAKIN (Ballarat—Minister of External Affairs).—I move—

That the House do now adjourn.

I must say that I think the deputy-leader of the Opposition might have recognised the difficulty of the position in which I was placed. I had been asked by the honorable member for Gippsland to move a motion that I did not wish to submit, and had exerted myself to induce him to refrain from preferring the request.

Mr. JOSEPH COOK.—Does the Prime Minister say that the honorable member asked him specially to move the motion to-night?

Mr. SPEAKER.—Order. The Prime Minister must not refer to a previous debate.

Mr. DEAKIN.—That is so. I am referring, sir, not to a previous debate, but to a conversation. On Friday I saw the honorable member for Gippsland, who then said he wished to be relieved as soon as possible. I informed him that I had given notice of motion for to-day, but hoped that he would consent to its not being brought on at the commencement of business, as my desire was that the debate on the Budget should proceed. I told him that if he were willing I would bring it on later in the evening, after the Budget debate had been disposed of. At my request he consented to this being done. I had to act against my own will in moving that his resignation be accepted, and submitted the motion at a time to which he agreed. I was placed in a difficult position, and the deputy-leader of the Opposition chose to intensify it by addressing me in a manner in which, I feel sure, I should not have addressed him in like circumstances.

Mr. SPEAKER.—The Prime Minister is now referring to a previous debate.

Mr. DEAKIN.—The honorable member for Parramatta chose to make what he called a request, but what was really a threatening demand, which it was impossible for me to accept.

Mr. JOSEPH COOK (Parramatta).—I deny *in toto* the statement just made by the Prime Minister. I made no threat or demand of any kind until I had pleaded like a mendicant for ten minutes. The Prime Minister sat like a statue.

Mr. SPEAKER.—The honorable member is now doing that which I would not allow the Prime Minister to do—he is referring to a debate which is closed.

Mr. JOSEPH COOK.—I think I am entitled, at any rate, to reply to a statement made by the Prime Minister, which reflects on my conduct.

Mr. SPEAKER.—I twice prevented the Prime Minister from referring to a previous debate, and if I now permitted the honorable member for Parramatta to do that which I refused to allow the Prime Minister to do I should do a manifest injustice, which I am sure the honorable member himself would not desire.

Mr. JOSEPH COOK.—May I recall to your recollection, sir, that the Prime Minister concluded his remarks by reflecting on my conduct. I wish to explain the conduct to which he takes exception.

Mr. SPEAKER.—The honorable member wishes to make a personal explanation?

Mr. JOSEPH COOK.—That is precisely what I wish to do. I appealed to the honorable and learned gentleman, almost like a mendicant, to postpone the consideration of the matter until to-morrow, and it was only after pleading with him for ten minutes that I made the observation which I did, and on which he has just animadverted. In his conduct of the business of the House—

Mr. SPEAKER.—Does the honorable member consider this a personal explanation?

Mr. JOSEPH COOK.—No, sir, I am now speaking on the motion for adjournment. In his conduct of the business of the House the honorable and learned member is acting in the strangest way I have ever seen the leader of a Government act. One cannot get from him anything definite about the business of the House on any occasion. He told me nothing about this business to-night. We understood that we were to adjourn at the usual hour, after the debate on the Budget was postponed. I did not hear a whisper that this business was to be taken, and the honorable and learned member, after getting the debate on the Budget adjourned, and nearly all the Opposition away, on the clear and distinct understanding—

Mr. DEAKIN.—I sent word to the honorable member before that debate was adjourned.

Mr. JOSEPH COOK.—The honorable member for Cowper came over here just a few minutes before that debate was adjourned, but that was after the members of the Opposition had all gone home.

Mr. DEAKIN.—At half-past 10 o'clock.

Mr. JOSEPH COOK.—It is unfair on the part of the honorable and learned member to spring such business upon the House without warning of any kind. Moreover, I think that he is acting towards the Opposition in a grossly discourteous way.

Mr. DEAKIN.—The honorable member will not get any one else to believe that.

Mr. JOSEPH COOK.—I do not care what other honorable members believe. There is a marked distinction between the way in which the honorable and learned member treats the members on this side and the way in which the leader of the late Government treated the late Opposition. We cannot get a definite statement from the honorable and learned gentleman about

anything. I asked the other day whether he proposed to bring forward any new standing orders, and he said he might or might not. I then asked him when he was going to set the matter down for discussion. He said he did not know, but perhaps it would be for Tuesday or some other day. He knows nothing. If honorable members expect that we on this side are to be treated as so many automata, to be moved hither and thither at the behest of the leader of the Government, I venture to say that he entirely misconceives his position. If he wishes to get business through the House he had better observe the rule which has always obtained here of treating the Opposition as they ought to be treated—by letting them know what he proposes to do, and not by treating them as if they were a set of fools, and it did not matter to him whether he spoke to them on any subject or not. That is what I complain of in his treatment of honorable members. Do what we will, he will not tell us anything about the business which is to come on. I have already told honorable members what he said about this particular business. I had no idea that it was to come on to-night. I complain of the Prime Minister's entire want of definiteness in regard to the business of the House, and I resent, and will take every means I know to resent, such treatment as he has seen fit to mete out to the Opposition to-night.

Mr. CROUCH (Corio).—With regard to the Agricultural Show on Thursday, will the Prime Minister make an announcement whether the House is to meet at half-past 2 o'clock or half-past 7?

Mr. DEAKIN.—At half-past 2, as usual.

Mr. CROUCH.—I am rather sorry to hear that statement, because I know that persons have come here from almost every State. If the Prime Minister wishes to get on with business, I suppose we shall have to sacrifice ourselves, but still I think it would be wise if he would reconsider the question before to-morrow.

Mr. CHANTER (Riverina).—The acting leader of the Opposition has taken it upon himself to tell the Government how they should conduct the business of the House. The majority has rights as well as the minority, and when the majority is kept here until the trams and the trains have ceased to run, and put to a lot of inconvenience, my advice to the Government is to go on and do some useful work. We are not to be kept here for that purpose.

Mr. FULLER.—It was the action of the Prime Minister which brought about.

Mr. CHANTER.—I absolutely agree with that statement. During my parliamentary career I have never witnessed anything like this as I have had to witness here to-day. Whenever a member of Parliament resigns from a Committee, he, and not the Government, is the right person to give notice. The motion just carried was seized upon by the Government to keep you, sir, and the members and the public of the House here, without occupying the time of the country to any advantage. It might have been profitably occupied in passing useful measures.

Mr. JOSEPH COOK.—I think, sir, we ought to have a quorum here to hear the pearls of wisdom.

A quorum not being present,

Mr. Speaker adjourned the House at 12 (Wednesday).

## House of Representatives

Wednesday, 6 September, 1902.

Mr. SPEAKER took the chair at 2.30 and read prayers.

### COMMONWEALTH CENSUS

Mr. KELLY.—I wish to know from the Prime Minister if the following new paragraph contains a true statement of the intentions of the Ministry:—

There appears to be some doubt as to whether it is contemplated to hold a special census under Mr. Groom's States Representation Bill before re-adjusting the Federal electorates, in connection with the completion of the Commonwealth general census at the end of next year. It is not the intention of the Ministry to hold such a census. Under the provisions of the Bill an enumeration day will be chosen next year, and the best day for the population relating to the population day will be compiled by Commonwealth authorities on the system set out in the Bill. These figures will be made the basis of the readjustment of the electorates.

Mr. DEAKIN.—So far as I know, no statement is made without authority. I hope that the Minister of Home Affairs will have an opportunity, either to-day or to-morrow, to explain the Bill.

### IMMIGRATION RESTRICTION ADMINISTRATION.

Mr. BAMFORD.—I wish to ask the Prime Minister, without notice, whether he is aware that it is alleged that ten aliens by whom Google

wealth waters under permits to work in the pearling shelling industry of Torres Straits have deserted, and are now supposed to be in Australia? Will the Prime Minister make such inquiries as may be necessary to establish the truth or otherwise of these allegations? If it is ascertained through the Customs Department or otherwise that such allegations are well founded, will the Prime Minister take such steps as are necessary to have the bonds entered into by the persons indenting those aliens duly estreated?

Mr. DEAKIN.—I know nothing of the incident, and shall be glad if the honorable member will supply me with the name of the place where it occurred, and the persons concerned, so that inquiry may be made.

### BUDGET.

*In Committee of Supply:* (Consideration resumed from 5th September, *vide* page 1910), on motion by Sir JOHN FORREST—

That the item, "President, £1,100," be agreed to.

Mr. LIDDELL (Hunter).—It has been my duty on more than one occasion to call attention to the imperfect ventilation of this Chamber. I do not know if a disease which appears to have broken out amongst honorable members—a certain affection of the throat—is attributable to that cause.

Mr. HIGGINS.—Is the disease *cacoethes loquendi*?

Mr. LIDDELL.—You, Mr. Salmon, being a medical man, will understand me if I endeavour to give a name to the disease to which I refer. One of its symptoms is manifested by many prominent members, and especially by representatives of New South Wales, in their constant endeavour to address the Committee early in the afternoon rather than late at night. The only reason I can discover for these attempts is the fact that the speeches delivered early in the afternoon are recorded fully in the metropolitan papers of New South Wales. The name I propose to give to this mysterious disease is *limelightitis*. I call it so because of the evident desire on the part of those who suffer from it to appear beneath the full glare of the limelight. I was quite prepared to fill the breach, and make what remarks I had to make last night, in order that those who suffer from this disease might have an opportunity to speak to-day; but it has, nevertheless, fallen to my lot

to commence the debate this afternoon. While on the subject of diseases, I would refer to what is known to the medical profession as general paralysis of the insane, one of the symptoms of which is that the sufferer begins to hold wrong ideas as to his position. His ideas become grandiose.

Mr. KENNEDY.—Would the honorable member mind examining those who are now sitting on the front Opposition bench?

Mr. LIDDELL.—If the cap fits any honorable member, though I hope it does not, he is at liberty to wear it. A man suffering from this disease begins to take large views of life, thinks that he is possessed of unlimited means, entertains his friends lavishly, taking every man he meets by the hand, and offering him untold wealth. I greatly fear lest the Treasurer of the Commonwealth may develop symptoms of this kind, because, if we are going to spend money at the rate which he proposes, we shall quickly find ourselves in serious difficulties. We have almost reached the limit of the £500,000 at our disposal, and if we go on as we are doing, it is possible that within the next five years we shall spend a very considerable amount of money. At the cost of some time and labour, I have estimated that expenditure as follows:—Old-age pensions, £1,500,000; penny postage, £200,000; underground telephones, £100,000; sugar bounties, £500,000; iron bonus, £300,000; weather telegrams, £60,000; High Commissionership, £20,000.

Mr. WILSON. Would £20,000 cover the expenses of the High Commissioner?

Mr. LIDDELL.—A High Commissioner who would fill the post as it should be filled, must be a man of independent means, and prepared to spend a large amount of money. Then there is the naval subsidy of £50,000, the cost of the census £25,000, and the expenditure in connexion with quarantine and meteorology £25,000, making a grand total of £2,780,000. I have heard the Treasurer speaking of millions as if they were pence, and I take this opportunity to ask him to put the break on, and not to be too lavish in his expenditure. The previous Treasurer was very careful of the funds at his disposal, but we have had examples in New South Wales of the way in which the public coffers can be emptied without any consideration for the good of the general community. I notice that there is a tendency to spend a large amount of money on defences, and I can hardly see

why we should incur a large outlay in that direction. It is an utterly unproductive way of spending money. All the ironclads that are built speedily become so much scrap iron, and we have the testimony of the ex-Minister of Defence that a few good fire brigades would afford us the best safeguard against loss in the event of an attack being made upon us. We have at present to depend entirely upon Great Britain for our defence. Here we are, a small number of people — less than 5,000,000—inhabiting an enormous country with a coastline of 8,500 miles, and I ask how we can possibly hope to satisfactorily safeguard ourselves against invasion? It is true that we contribute £200,000 per annum towards the maintenance of the Australian Squadron, but I think that we might strike off even that item, because it is a mere drop in the bucket to Great Britain. If we, like Canada, declined to make any contribution towards the expenditure upon the British Navy, it would still be to the interest of Great Britain to protect us, so long as she felt that we remained part and parcel of the Empire. With regard to the *Cerberus*, I should like to say that I spent two lamentable days upon that vessel. Purely with a desire to obtain information, I accepted an invitation to spend two days on the ship, because I was told I should see some interesting target practice. It was suggested that I would be best able to judge as to the effectiveness of the practice by occupying a position inside the turret. I had first to crawl through a small hole and to take my place upon what was called the rear platform, behind a gun weighing 25 tons. I can assure honorable members that I required to exercise great strength of mind to remain in that position when I saw a mass of metal, weighing 25 tons, recoiling, and approaching within an inch of my body. The turret contained two 25-ton, or 10-inch, muzzle-loading, slow firing guns, and I think that as such weapons are absolutely useless, they should be done away with. I think also that the Treasurer should strike his pen through the proposed vote of £2,000 for the purchase of guns to re-arm the *Cerberus*, because that craft is quite out of date. Even as a training boat she would be of very little value. We have heard that the Japanese gunners in the recent naval engagements against the Russians owed their success largely to the accuracy of their fire in

Mr Liddell.

rough weather. In the case of the *Cerberus*, the whole of the sailors become seasick in rough weather, because the vessel, instead of rolling and pitching like an ordinary boat, revolves like a saucer, and produces a most peculiar feeling of nausea, even in the most seasoned navigators. I have already referred to the fact that owing to the smallness of our population we should find it difficult to properly defend our coasts, and I think it is our duty to increase our population as far as possible by encouraging the introduction of suitable immigrants. Instead of encouraging immigration it appears to me that we are seeking by our legislation to keep people out of the country.

Mr. RONALD.—Certainly not.

Mr. LIDDELL.—So far as I can judge, that is the effect of much of the legislation that has been passed to suit one particular section of the community. An honorable member on the Ministerial benches proposes that we should invite two or three experts to come here and look at this country, but there is no necessity to adopt that course. Every week experts in their own businesses are coming to Australia from the old country. I meet them at the hotel at which I am staying, and I have facilitated many of them coming here and listening to our debates. They have thus been enabled to see very clearly what class of men are legislating for Australia, and the objects they have in view.

Mr. WATSON.—I hear that they are awfully disappointed with the Opposition.

Mr. LIDDELL.—At the time to which I am alluding the Labour Party sat in opposition. These men have told me, "We are sent out here by our firms to inquire as to the possibility of finding suitable investments, but we regret to say that we feel that this is not the place in which we should launch out. We would rather seek a field of operations in the Argentine or some other South American State. Here you have a magnificent country, which is capable of producing wheat and wool to much more advantage than, say, Canada."

Mr. WATSON.—Give us a few names so that we may have something tangible.

Mr. LIDDELL.—I think that it is quite unnecessary to mention any names. Experts have said to me: "In the northern parts of Australia there is an enormous area which is quite capable of growing good cotton, and to-day in Manchester we are paying high prices for that commodity."



But Australia will never be able to establish the cotton industry if cheap labour is not available, and, unfortunately, the whole tendency of Commonwealth legislation is in the direction of driving cheap labour out of the country." I have already said that we ought to encourage immigration.

Mr. MAUGER.—And our young men should marry.

Mr. LIDDELL.—I certainly believe in encouraging the intermarriage of our race with foreigners. The finest nations of the world have been produced by the intermarriage of opposite races. What is the British race to-day but the progeny of various nationalities. We know perfectly well that the offspring of people who live in the same locality are not so sturdy as are those of persons who live in districts which are widely separated. In support of my statement, we have merely to look at the type of our population in certain isolated districts of the back-blocks. I have no doubt that the honorable member for Darwin, who has travelled through those districts, will admit that in these places our native population is degenerating.

Mr. KENNEDY.—From where do we obtain our sturdy citizens, if not from the back-blocks?

Mr. LIDDELL.—I am speaking from my own professional experience, and I defy any man to deny the accuracy of my statement. I maintain that in the back-blocks we are rearing a class of people who are little better than blackfellows. They are constantly intermarrying, and, as the result of their environment, we are producing a race of degenerates.

Mr. HUTCHISON.—In many instances we do not give them sufficient to live upon.

Mr. LIDDELL.—That is exactly what I am fighting for. One has only to walk the streets of Melbourne or Sydney at night to see a lot of undersized brats of boys and girls, who will be the fathers and mothers of future generations. What are we doing to assist them? We are merely attempting to bolster up our factory system, under which many of these children are employed in what can only be described as "dens." I say that we should encourage immigration—I do not care whether the arrivals be Celts or foreigners. Let us welcome them all, irrespective of whether they be French, Italian, or German settlers, and by so doing we shall establish a better nation. In this temperate zone,

it is certain that we cannot continue as we have been doing, unless we wish eventually to become anæmic and to produce a race of degenerates. If we encourage immigration, we shall be doing the right thing. We wish to attract to our shores those who will populate the country, and work upon the soil. Another important matter to which I desire to direct the attention of the Committee has reference to the urgent necessity which exists for Commonwealth action in regard to quarantine arrangements. At the present time we are doing absolutely nothing in this direction. A number of Bills are being submitted by the Government which nobody apparently desires, and which, I contend, will not accomplish any good. There are many other matters, however, of which no notice is being taken, and which deserve very serious consideration, and amongst them is that of Federal quarantine. Under present conditions, we are exposed to the introduction of all sorts of diseases from other countries. Only the other day, I read in *Coghlan* that much inferior fruit is sold in Australia because of the introduction of certain pests from America and elsewhere.

Mr. FISHER.—The honorable member must know that a system of Federal quarantine can be established without the introduction of any Bill.

Mr. LIDDELL.—Then the sooner the matter is dealt with the better. I am inclined to think that members of the Labour Party agree that vaccination is not a good thing. At any rate, I am satisfied that we have a good many conscientious objectors to that system. I do not propose to discuss the merits or demerits of vaccination, but I do say that if we had a proper system of Federal quarantine we should incur very little risk of the introduction into the States of such diseases as smallpox.

Mr. FISHER.—I am in favour of a system of Federal quarantine being immediately established.

Mr. LIDDELL.—As the honorable member now occupies the box seat of the Ministerial coach, and handles the ribbons, he should so direct matters as to bring about that desirable result. Another disease to the introduction of which we are extremely liable is tuberculosis. Yet no effort is being made to guard against that contingency. It would be the simplest matter in the world to create a Federal quarantine system, and it

could be managed very much more satisfactorily than quarantine is at present managed by the States. Unity is strength, and unity in this matter would provide us with a better opportunity for combating the disease. I look forward to the time when we shall establish a Department of Health which will be presided over by a Minister. I see no reason why there should not be a seat upon the Treasury Benches for a Minister of Health, who would be able to direct our various bacteriological examinations, laboratories, and attend to kindred matters. Moreover, it would be a great advantage if the various medical Acts in the different States were made uniform. At the present time is quite possible for medical men to commence practice in some of the States without being called upon to pay any fee, whilst in others a heavy fee is exacted before they are at liberty to engage in their calling. Uniformity in this connexion is extremely desirable. I appeal to the Labour Party to recollect that there is such a thing in the world as unionism, and I am of opinion that it would be well if the members of the medical profession who qualify in this country were given some advantage over those who hail from elsewhere. I also contend that this Parliament should be given an opportunity to pass an Adulteration Act which would deal with the adulteration of our wines. It is all very well for the Minister of Trade and Customs to say that he will look into the matter, and insert a clause in a Bill dealing with that question.

Sir WILLIAM LYNE.—Such a provision is already to be found in the Commerce Bill.

Mr. LIDDELL.—But I should like to see a comprehensive arrangement made under which all these matters could be dealt with in one way. Then we should not witness the spectacle of a private individual, who is merely a piano expert, and knows nothing whatever about health matters, being allowed to travel abroad for the benefit of his own business, as an accredited representative of the Commonwealth.

Mr. KELLY.—Does the honorable member hold that that appointment should not have been made?

Mr. LIDDELL.—I express no opinion upon the matter. We have been told that Mr. Beale served an apprenticeship under Dr. Mackellar. I do not understand what that means. How can we possibly expect a

piano expert to know anything about patent medicines or children's foods? His commission looks to me as though it were nothing more nor less than a piece of political dodgery on the part of a protectionist Government.

Mr. SYDNEY SMITH (Macquarie).—I did not intend to address the Committee on this question, and should not have done so, except for some of the statements which have been made, and the fact that no replies to them have been offered by honorable members opposite. They seem to take all the criticisms, from whatever quarter they come, as needing no reply. Perhaps they are right from their stand-point, but I purpose to say a few words in regard to certain matters to which I think the attention of honorable members ought to be directed. Last week I came into collision with the Treasurer in regard to a statement about "eating dirt." I had no wish to be offensive to the right honorable gentleman. We all like him. He is a jovial, kind-hearted man, although there is a certain amount of method in his joviality.

Sir JOHN FORREST.—The honorable member knows that it was not a friendly thing to say.

Mr. SYDNEY SMITH.—I have not had time, nor have I the inclination, to wade through all my right honorable friend's old speeches, but I have a few quotations to make from some of his past utterances which, I think, will be interesting to the Committee. We think that it is our duty to criticise the Government, and in that connexion I was much struck with one remark made by my right honorable friend with regard to the Labour Party when their Government was in office. He said—

In my opinion, the Opposition should never say anything very complimentary about the Government, but should find fault with them if they do wrong. If they are right, the Opposition should say, "that is just what you ought to have done; you have done your duty."

That is the sort of generosity which my right honorable friend manifests towards his opponents.

Sir JOHN FORREST.—What led up to that? I said there was too much "beslobbering" with praise.

Mr. SYDNEY SMITH.—I will tell my right honorable friend what led up to the remark. The leader of the Opposition is, as we all know, invariably generous to his

opponents. I think that the honorable member for Bland will admit that the leader of the Opposition was always fair in his criticisms when the Labour Government was in office. Whenever credit was due, he was always big enough in his ideas to give praise. But the Treasurer is not large-minded enough to adopt the same attitude towards his opponents.

Sir JOHN FORREST.—I was supporting the Opposition then; so was my leader.

Mr. SYDNEY SMITH.—Well, the leader of the Opposition and the head of the present Government are both big enough men to say kindly things of their political opponents when they are deserved. I make these remarks because I was very much struck with the absence from the Budget speech of any reference to the late Treasurer, the right honorable member for Balacava, though the Treasurer took advantage of all the hard labour of his predecessor and former colleague. We all know the care and attention which the right honorable member for Balacava devoted to the preparation of the Estimates. The Treasurer must admit that he adopted the Estimates of the late Government to a very large extent, making very few alterations in them. The late Treasurer was as careful, painstaking, and conscientious a finance Minister as ever sat on the Treasury bench.

Sir JOHN FORREST.—Hear, hear.

Mr. SYDNEY SMITH.—For years I was opposed to him on certain principles. He believed in protection, and I believed in free-trade; but at the same time we admitted his fairness in dealing with financial matters. But the Treasurer never said a word in his Budget speech about the care and attention devoted by his predecessor to the preparation of some of the figures he used.

Sir JOHN FORREST.—I referred to him very often, and always in complimentary terms.

Mr. SYDNEY SMITH.—I have not read the Budget speech through, but I can find no such references. I presume that that is the principle upon which the Treasurer chooses to deal with those opposed to him.

Sir JOHN FORREST.—I do not think he is opposed to us.

Mr. SYDNEY SMITH.—I remember hearing an old and prominent politician in New South Wales remark that on one occasion he was opposed by a supporter,

who defended himself by saying, "Well, I always vote for you when you are right." The reply was: "I like a man to vote for me when I am wrong; any fool will vote for me when I am right." That remark was recalled to my mind by an interjection made by the Treasurer last week. He said, "I wish I had the honorable member in Western Australia."

Sir JOHN FORREST.—That was only said jocularly.

Mr. SYDNEY SMITH.—It is recorded in *Hansard*. If the remark was made jocularly, I wish to reply in a similar spirit. In former days my right honorable friend used to be called "the Emperor of the West." Whenever any politician dared to oppose him in those days, he had a method of getting rid of the offender. I believe a case was referred to a committee, which, it is said, decided against his opponent. On another occasion I am informed a supporter dared to criticise him in regard to his financial arrangements. The right honorable gentleman resented this criticism, whereupon the opponent said, "I think I have a right to criticise you if I choose." The reply was: "What right have you to complain? Did I not make you a magistrate?" I do not know how highly the position of magistrate was valued in Western Australia in those days; it is not, I regret to say, much valued in New South Wales.

Sir JOHN FORREST.—The position was spoilt in that State.

Mr. SYDNEY SMITH.—At all events my right honorable friend evidently thought that it was a very great honour to confer upon the man.

Sir JOHN FORREST.—It surely ought to be regarded as a very honorable position.

Mr. SYDNEY SMITH.—I quite agree with my right honorable friend. But it is an extraordinary doctrine to preach that because he made a man a magistrate that man ought to support him whether right or wrong.

Sir JOHN FORREST.—He was elected to support me.

Mr. SYDNEY SMITH.—My right honorable friend admits the truth of the story.

Sir JOHN FORREST.—My Government supported him.

Mr. SYDNEY SMITH.—And therefore my right honorable friend thought that the member of Parliament ought to support his Government right or wrong.

Sir JOHN FORREST. — We wanted a general support.

Mr. SYDNEY SMITH.—At all events I believe that the one time supporter of my right honorable friend resented this interference, and promptly resigned the position of magistrate, saying that if it was given to him with the object indicated, the sooner he vacated it the better. My right honorable friend denied that he ever made any statement about eating dirt. I am not going into the question of the exact words he used, but I shall read a few extracts to illustrate the position of affairs when my right honorable friend was on this side.

Sir JOHN FORREST. — We cannot get away from *Hansard*, can we?

Mr. SYDNEY SMITH.—I believe not; though sometimes some of us may wish we could, especially when we go before the electors, and are quoted.

Sir JOHN FORREST.—I am not afraid of *Hansard*.

Mr. SYDNEY SMITH.—I have gone through the mill as many times as my right honorable friend, and I have always come out all right.

Sir JOHN FORREST.—*Hansard* is all right.

Mr. SYDNEY SMITH.—I am not afraid of anything in *Hansard* so far as I am concerned; but I do not know whether the right honorable gentleman will say that after I have read some extracts from his speeches.

Sir JOHN FORREST. — I am not frightened.

Mr. SYDNEY SMITH. — I ask my right honorable friend to listen to these extracts from his speeches:—

He has found since Parliament has met that parties are almost of equal strength. The supporters of the Government are, perhaps, stronger than either of the other parties, but a combination of the force gathered together under the standards of Labour and the Opposition could at any time bring about the expulsion of the Government from office. That is a position which it would be impossible for any one with any experience in leading Government to regard with equanimity. To me the position seems impossible. It will be just the same for those who succeed us, if any one does succeed us.

I am in accord with him when he agrees with the right honorable and learned member for East Sydney that the existence of three parties in the Federal Legislature of nearly equal strength has thrown public affairs into confusion, makes Parliamentary Government on constitutional lines impossible, and calls for some immediate remedy.

I am opposed to the platform and the methods of the Labour Party. I am opposed to the domination of any class, irrespective of whether they are members of Labour Unions or otherwise.

Mr. FISHER.—A proper sentiment.

Mr. SYDNEY SMITH.—Yes; and I am showing the honorable member what a different position the Treasurer takes up to-day—

He offered us the security that we should enjoy, by acting as the tail, or perhaps, in time, as a very small part of the body, of his party.

Sir JOHN FORREST.—Who made the offer?

Mr. SYDNEY SMITH. — I believe there was an offer made that if certain honorable members would go over and support the Labour Party they would not be opposed.

Sir JOHN FORREST.—I thought the honorable member was quoting me.

Mr. SYDNEY SMITH.—I am quoting the right honorable member—

It was another case of "Come in to my parlour said the spider to the fly."

In view of the principles I profess, I, for one, should not be willing to kiss the hand that struck me a severe blow. I know that if I did I should sooner or later receive another blow which would practically destroy me.

I do not know when that blow is coming—

Why did not the honorable and learned member and his party turn us out? Because it did not suit them to do so.

Sir JOHN FORREST.—Who was "the honorable and learned member"?

Mr. SYDNEY SMITH.—I think it was the honorable and learned member for Northern Melbourne, when he was Attorney-General in the Labour Government.

I should not have given them a week's trial.

I believe that on one occasion the right honorable gentleman denied that he made that statement, but this is an exact quotation of what he said:—

I should not have given them a week's trial if I had had my own way, but that was due to only one reason—that, in my opinion, they had not a majority in this House.

I rejoice that honorable members of what is called the Labour Party (and, as I have already defined the meaning of the term I need not do so again), are in Opposition. I prefer to see them there, or in possession of the Treasury benches, rather than directing the Government from the cross benches.

Mr. PAGE.—Can the right honorable member give us one instance in which we directed the Government of which he was a member?

Sir JOHN FORREST.—Yes! the great pressure which was exerted resulted in section 16 of the Postal Act being inserted in the Bill, and the previous action of the Government in the Senate being reversed.

We shall now have their physic direct from their own hands. We shall not have to take physic from the third party as has been the custom, not only in this Parliament, but in all State Parliaments of Australia in which there is a Labour Party.

Sir JOHN FORREST.—I was referring to the time when the honorable gentleman was under the dominance of the Labour Party in New South Wales.

Mr. SYDNEY SMITH.—Perhaps so. It is difficult to ascertain what is the right honorable gentleman's mind on any subject. At all events, he cannot find such passages as these in any speeches I have delivered:—

Hitherto they have not been so numerically strong as they are, but they have occupied the position of a third party with the balance of power, and have wielded that enormous power that all third parties similarly situated exercise in the administration of the affairs of a country.

What does he say in regard to them now? The Labour Party are in the same position, and he cannot move in any direction without their support. I shall show presently that in regard to the contract section of the Immigration Restriction Act, Ministers were afraid to give expression to their opinions until they heard the honorable member for Gippsland say what the late Government intended to do. Thereupon, the honorable member for Bland expressed his opinion, and now the Government are going to break their silence upon the question.

Mr. WATSON.—The honorable member for Gippsland did not state what the late Government was going to do.

Mr. SYDNEY SMITH.—The honorable gentleman indicated what the late Government was going to do.

Mr. WATSON.—The late Government announced no policy.

Mr. SYDNEY SMITH.—If the late Government had had an opportunity of meeting the electors, as we wished to do, the honorable member would have known what our policy was.

Mr. WATSON.—They kept it very dark.

Mr. SYDNEY SMITH.—There is a record of what we were going to do. But let me continue the extracts from the speeches of the Treasurer—

Mr. KING O'MALLEY.—Does not the right honorable member think that we gave the Government, of which he was a member, a good innings?

Sir JOHN FORREST.—The honorable member for Bland no longer occupies the commanding position of real power which he held for the three years during which his party sat on the cross benches; it is no longer "Yes, Mr. Watson." The honorable member is now a humble

suppliant for an alliance in order that he may regain the power that he has lost, and which, of course, he desires again to exercise. . . . They must realize that although at one time they were a "Samson" in the House they have since had their hair clipped.

Mr. WATSON.—The Minister is happier than when he was in the clutches of the right honorable member for East Sydney.

Mr. KELLY.—He was out in the cold then.

Mr. SYDNEY SMITH.—Yes. The right honorable gentleman practically denied that he ever was in the clutches of the right honorable member for East Sydney. Replying to a question by a reporter, he said that he was never a supporter of the latter, but he was very anxious, I think, to get his support in Western Australia, when a large number of the Labour Party were going over there.

Sir JOHN FORREST.—I do not know that. It was more in the interests of the right honorable gentleman that I took action then.

Mr. SYDNEY SMITH.—That shows that the right honorable member was a member of the party for the time being.

Sir JOHN FORREST.—I was helping the right honorable gentleman. What I said was that he was never my chief.

Mr. SYDNEY SMITH.—If the right honorable gentleman will refer to the newspapers, I think he will find that he used the word "supporter" to the interviewer.

Sir JOHN FORREST.—I was supporting the right honorable member for East Sydney, but I always owed allegiance to the honorable and learned member for Ballarat.

Mr. SYDNEY SMITH.—The right honorable member for East Sydney was leader of the Government, and when he was asked to go to Western Australia he went, at much personal inconvenience, in the interests of the party, of which, at that time, we believed the right honorable member for Swan was a member.

Mr. KELLY.—That was before the secret cable.

Sir JOHN FORREST.—The honorable member for Macquarie surely does not say that I was ever a free-trader?

Mr. SYDNEY SMITH.—I do not say that for one moment of the right honorable member for Swan.

Sir JOHN FORREST.—I was a member of the party which was led by the honorable and learned member for Ballarat, and which

was helping the party of the right honorable member for East Sydney.

Mr. SYDNEY SMITH.—At all events, we went into office in an honorable manner, and we retired with flying colours. That Government were prepared to face the people, and to abide by their verdict, and we were told by the present Treasurer, and the present Prime Minister, that there was no occasion for us to have gone out of office.

Mr. KENNEDY.—The honorable member for Macquarie advised suicide.

Mr. SYDNEY SMITH.—It is not often that Governments are found prepared to commit suicide; as a rule, Governments are anxious to cling on to office on any conditions or terms. Considering what had taken place, we felt, as honorable men, that we could no longer remain in office—that the only course open to us was to place our policy before the people and abide by their verdict.

Mr. FISHER.—Yes, after the Government had wasted six months in recess.

Mr. SYDNEY SMITH.—The honorable member for Wide Bay and his party have wasted a good deal more time. The honorable member has no reason to complain, because those whom he represents have done very well over the sugar legislation.

Sir JOHN FORREST.—What was the policy of the honorable member's Government on that question?

Mr. SYDNEY SMITH.—The present Treasurer did not give that Government an opportunity to come down with a policy. It would, no doubt, have been very different from that advocated by the honorable member for Wide Bay.

Sir JOHN FORREST.—We had the policy from the honorable member for Gippsland, who was a member of that Government.

Mr. SYDNEY SMITH.—That Government never dealt with the matter.

Sir JOHN FORREST.—Never dealt with it?

Mr. SYDNEY SMITH.—The question was never considered by the Cabinet.

Mr. WATSON.—Then what did that Government do during the six months of recess?

Mr. SYDNEY SMITH.—I shall show presently that the Treasurer did very little during the time he was a State Premier. If Western Australia had been looked after then, that State would not have been in its

present disgraceful position in regard to the Post and Telegraph Department.

Sir JOHN FORREST.—What did the honorable member for Macquarie do for Western Australia in postal matters while he was Postmaster-General?

Mr. SYDNEY SMITH.—The Treasurer ought to ask the present Postmaster-General that question. I am prepared to let my work as Postmaster-General stand on its merits.

Sir JOHN FORREST.—The honorable member, as Postmaster-General, never did anything for Western Australia.

Mr. SYDNEY SMITH.—I leave my work to the judgment of honorable members.

Sir JOHN FORREST.—The people of Western Australia were most dissatisfied with the postal administration.

Mr. SYDNEY SMITH.—And now, under, considering the state in which the postal administration was left by the present Treasurer. I shall presently read a list of reports dealing with the administration of the Post and Telegraph Department in Western Australia.

Sir JOHN FORREST.—Why did the honorable member, when Postmaster-General, not go to Western Australia and see for himself the administration of the Department?

Mr. SYDNEY SMITH.—I sent an impartial officer to make a report, and I think that honorable members, when they hear the result of that action, will say that I was quite justified in what I did. Furthermore, that the revelations did not reflect credit on the present Treasurer's administration.

Sir JOHN FORREST.—The people of Western Australia are more dissatisfied now than ever they were with the administration of the Post and Telegraph Department; they say that the whole Department has been upset.

Mr. SYDNEY SMITH.—All I can say is that if the Treasurer looks through the report to which I have referred, he will see that there was strong reason for the "upset" of some kind.

Sir JOHN FORREST.—The people are more dissatisfied now than ever they were.

Mr. SYDNEY SMITH.—It is very easy to satisfy people by spending thousands of pounds on useless works. However, I am not given to any policy of that kind. If a public work be justified, I am glad to carry it out, but I refuse to spend money merely for the purpose of getting additional support.

Sir JOHN FORREST.—I have no doubt that the honorable member, as Postmaster-General, carried out some wonderful reforms!

Mr. SYDNEY SMITH.—I leave the reforms which I carried out to speak for themselves.

Sir JOHN FORREST.—The "reforms" made the people dissatisfied, at all events.

Mr. SYDNEY SMITH.—The people had been dissatisfied for a great many years under the present Treasurer's administration as State Premier. Honorable members ought to read the report which was submitted to this Parliament soon after Federation was brought about. That report was referred to by the late Postmaster-General, the honorable member for Coolgardie, when he was dealing with the postal administration of the present Treasurer in Western Australia. The right honorable member for Swan went on to say of the Labour Party—

They must realize, although at one time they were a "Samson" in the House, they have since had their hair clipped, and that the strength, power, and influence, which they wielded for several years, has now disappeared. They have had to make a humble alliance with protectionist members who have seceded from the protectionist party.

Honorable members opposite know perfectly well that I am opposed to them because of their programme, which I call socialistic, and because of their methods.

There are numerous other quotations which could be made from speeches delivered by the Treasurer, but I think I have quoted sufficient to show that, if I were not correct in saying that he had complained of having to eat too much dirt, he is quite prepared to eat humble pie, in order to secure a seat on the Treasury benches.

Mr. WILSON.—He is quite prepared to take the "physic" of which he spoke.

Mr. SYDNEY SMITH.—The Treasurer is now prepared to take that "physic" again. The right honorable gentleman complained that for three years he had been taking "physic" from the honorable member for Bland, and he said that, rather than take any more, he was prepared to leave office. We now find, however, that the right honorable member is quite prepared to take more "physic" of the same kind.

Sir JOHN FORREST.—We were forced to come into office, because we could not leave the honorable member and his party there.

Mr. SYDNEY SMITH.—No doubt that is the right honorable member's opinion. The Ministry, composed of members of the party to which the Treasurer belongs, must have been a very happy family. The honorable and learned member for Adelaide, who has always been regarded as a strong democrat, when speaking of the present Treasurer, with whom he had been associated in office, said, "We have practically had enough of the Forrest curse."

Sir JOHN FORREST.—What the honorable and learned member said was that Western Australia had had enough.

Mr. SYDNEY SMITH.—Well, that meant enough of the "Forrest curse"; and I think there is a great deal of truth in what the honorable and learned member for Adelaide said.

Sir JOHN FORREST.—The honorable and learned member and myself were then in controversy, when people sometimes say disagreeable things.

Mr. SYDNEY SMITH.—The honorable member for Denison last night made a strong speech, showing that he, at all events, is quite sick of the "physic" he had to swallow while he was a colleague of the present Treasurer.

Mr. DAVID THOMSON.—Nevertheless the honorable member for Denison hung on to office.

Mr. SYDNEY SMITH.—I daresay that the honorable member for Denison might, had he chosen, have been a member of the present Government. No doubt, in refusing to support the proposal of the honorable and learned member for Ballarat, the honorable member for Denison took the course which he considered justifiable. Nevertheless I think he would have had a good chance of becoming a member of the Cabinet had he voted in the same way as did the right honorable member for Swan. The present Prime Minister also condemned in no light way the methods adopted by the Labour Party, of the domination of which he expressed himself as perfectly sick. He said that he would not have any more of it. The right honorable member for Balaclava also spoke in a similar strain.

Mr. MAUGER.—When did the Prime Minister make the statement to which the honorable member refers?

Mr. SYDNEY SMITH.—I could cite a number of cases in which he said that the methods adopted by the Labour Party

were objectionable. He asserted that the Labour Party were driving Australia over the precipice, and gave expression to other sentiments which showed that he was heartily tired of the domination of the party. Then, again, the right honorable member for Swan said that as a member of a former Administration, he had eaten quite enough dirt.

Sir JOHN FORREST.—I did not. The honorable member should not attribute to me statements that I have never uttered.

Mr. SYDNEY SMITH.—The right honorable gentleman said something worse than that. When challenged by the honorable member for Boothby, he remarked that, "You know that Ministers have often to vote for measures in which they do not believe."

Sir JOHN FORREST.—When did I make that statement? I am prepared to accept a quotation from *Hansard*, but certainly not a statement made from the honorable member's belief, and without foundation.

Mr. SYDNEY SMITH.—I shall give the right honorable gentleman the exact words that he used. He told the honorable member for Boothby that it was well known that members of a Government, out of loyalty to their party, had often to vote for measures in which they did not believe. Thus, four members of the Barton Administration practically stated that they were sick of the control which the Labour Party, while sitting on the Ministerial cross-benches, exercised over the Government. Sir Edmund Barton and Senator O'Connor, two other members of that Administration, left it, and are well provided for. We do not know what are their views regarding the Labour Party, but we find that the right honorable member for Swan, notwithstanding the assertions to which I have referred, was quite prepared to return to the fold, and to submit to such direction as the Labour Party might choose to give. I was disappointed by his Budget statement. The right honorable gentleman quoted numerous returns from *Coghlan*, which are very valuable in their way, but in view of the present position of the finances of the Commonwealth, we anticipated that he would be prepared to come down with some original proposal.

Sir JOHN FORREST.—What time did I have to formulate an original scheme?

Mr. SYDNEY SMITH.—The right honorable gentleman and some of his colleagues were in office when the Federal

Parliament first met, and, with the exception of about twelve months, have been in office ever since. We find that we have a decreasing Customs and Excise revenue, and that it is estimated that the revenue for the current financial year will be about £70,000 less than that received during last year.

Sir JOHN FORREST.—I explained that, but for the sugar arrangements there would be an increase.

Mr. SYDNEY SMITH.—But the Government propose to continue the sugar bonus, and that being so it is idle for them to offer such an explanation. They must provide for the payment of the bonus just as they have to provide for public works, or other undertakings. It is estimated that this year we shall be able to return to the States only £469,000 over and above the three-fourths of Customs and Excise revenue to which they are entitled. It must be borne in mind that we shall have to provide for interest upon the post-offices, and other public buildings taken over by the Commonwealth, and that, according to estimates prepared by the States, £450,000 will be annually required to meet these interest charges, and to provide the necessary sinking fund.

Sir JOHN FORREST.—Not if we deal with balances. If we adopt that system, the balance cannot be more than £1,000,000.

Mr. SYDNEY SMITH.—According to a report laid on the table of the House some time ago, the estimated value of transferred properties is, in round numbers, £10,000,000. Three per cent. on that sum would mean £300,000, and 3½ per cent., £350,000 per annum.

Sir JOHN FORREST.—But under the proposed arrangement—

Mr. SYDNEY SMITH.—Unfortunately, we do not know what arrangement has been made. The Government has not made any disclosure to the House.

Sir JOHN FORREST.—I referred to the matter in my statement. I said that balances only would be dealt with.

Mr. SYDNEY SMITH.—I know that the right honorable gentleman said something about balances, but he is trying to mislead the Committee and the public. We know that the value of the transferred properties has been estimated at £10,000,000. We are using them for departmental purposes, and we know that we shall be required either to pay for them or to pay interest on the cost of their construction.



Sir JOHN FORREST.—I do not think so. Let the honorable member read the Constitution.

Mr. SYDNEY SMITH.—I hope the right honorable gentleman does not propose that we should repudiate our obligations to the States.

Sir JOHN FORREST.—Let the honorable member read the Constitution, and he will find that Parliament has to decide, if we cannot agree with the States in the matter.

Mr. SYDNEY SMITH.—The right honorable gentleman will at least admit that we are now receiving the benefit of the use of the transferred properties.

Sir JOHN FORREST.—The States are receiving the benefit also.

Mr. SYDNEY SMITH.—My right honorable friend can put it in any way he pleases, but we know that the Federal Government are receiving an advantage in having the use of the buildings which have been transferred to the Commonwealth. We must pay for those buildings, or meet the interest which has to be paid on the money borrowed for their construction.

Sir JOHN FORREST.—The balances are what we shall have to deal with.

Mr. SYDNEY SMITH.—That may be so, but the whole of the transaction must appear in the balance-sheets of the Federal Treasurer. I do not know how the right honorable gentleman proposes to manage the financial affairs of the Commonwealth; but he will not find that commercial men manage their affairs in the way he suggests. I can tell him that he will have to make a very different explanation to the States Governments.

Sir JOHN FORREST.—If we cannot agree we must come to this Parliament to decide the matter; that is what the Constitution says.

Mr. SYDNEY SMITH. — I am sure that this Parliament will deal fairly by the States, and will have no desire to repudiate Commonwealth obligations. Parliament will realize that these buildings having been transferred to the Commonwealth, we have the right to pay for services rendered.

Mr. CAMERON.—The payments will have to be made from the revenue returnable to each State.

Mr. SYDNEY SMITH.—I admit that.

Mr. CAMERON.—When we return a surplus to the different States it comes to practically the same thing as paying for these services.

Mr. SYDNEY SMITH.—The honorable member will admit that we must keep our accounts separately from those of the States, and we must account for the properties transferred to the Commonwealth either in capital or in interest; if in capital, we must pay interest to the people from whom the money has been borrowed, and if in interest we must also pay it out of the annual revenue of the Commonwealth. No doubt the various sums will be debited to the different States, but the money has to be paid by the Federal Government. No Commonwealth Treasurer has yet proposed a scheme for dealing with the matter in a manner acceptable to the States.

Sir JOHN FORREST.—A Bill dealing with the subject has been passed by the Senate.

Mr. SYDNEY SMITH. — The right honorable gentleman estimates that there will be this year a balance of only £469,000, but I point out that he has made no provision for a number of important measures, involving expenditure, which the Government has in contemplation. I refer, first of all, to the Manufactures Encouragement Bill. Honorable members are aware that I have made no secret of my opposition to that measure, though, in all probability, the iron deposits in the district which I represent are of greater extent than those of any other district in New South Wales.

Mr. FISHER.—Would the honorable member nationalize the industry?

Mr. SYDNEY SMITH.—The honorable member for Wide Bay is aware that I have fought the proposal in Parliament, and before my constituents. I cannot be accused of inconsistency, for I stand to my previously expressed opinion on the subject, and do not approve of the principle involved in the measure. The present Government propose to pass the Bill. They believe they have a majority in this House in favour of it. I doubt that, but time will, no doubt, tell whether they have or not. It will involve an expenditure of £300,000 in bonuses, but the Treasurer does not show how the Government propose to provide for that expenditure. Again, expenditure is involved in the proposed survey of the transcontinental railway.

Mr. ROBINSON.—That is dead and buried.

Mr. SYDNEY SMITH.—I do not know what the Government propose to do in connexion with that matter. In reply to a

question, they intimated last night their policy in regard to the railway, but so far the proposed survey has not received the approval of this Parliament.

Mr. PAGE.—What was the policy of the Government to which the honorable gentleman belonged on that matter?

Mr. SYDNEY SMITH.—There is no secret about it. We proposed to allow an inquiry to be made.

Mr. PAGE.—Yet the honorable member is condemning the present Government for proposing the same thing.

Mr. SYDNEY SMITH.—No; what I say is that the Treasurer reminds us that there is a decreasing revenue, that the surplus to be returned to the States will come down this year to £469,000, an amount which will be required for the payment of interest and sinking fund in connexion with transferred properties; and yet the right honorable gentleman makes no provision for £300,000 involved in the payment of bonuses under the Manufactures Encouragement Bill, or for some £20,000 which will be necessary for the survey of the transcontinental railway. If that proposal is carried, it may involve an additional amount. Then we have to consider the old-age pensions scheme. I do not know how much money is provided for the operation of that scheme. It has been before us since the Treasurer first took office in 1901, and it is still in the same position. It has, no doubt, been a splendid card with which to gull the public. The Treasurer does not intimate where the Government are going to get the money necessary to give effect to an old-age pensions scheme, and I presume, therefore, that it is again put forward merely to gull the public. We have a Bill submitted for the appointment of a High Commissioner, and that also will involve serious expense for which no money is provided on the Estimates. We propose to deal with navigation and shipping, with the lighting of the coast, and with a Statistical Department for the Commonwealth. There is no provision on the Estimates in connexion with these matters, nor is there any provision made in connexion with the proposed Commonwealth Agricultural Department. Honorable members are aware that this House unanimously, and, I think, wisely, decided in favour of the establishment of a Department of Agriculture in connexion with Federal affairs. I think that a great deal can be done in this direction. The Treasurer admits that he is in

favour of assisting rural industries, and intimates that the Government intend to bring forward some scheme dealing with the question, but I can see no provision made on the Estimates for any expenditure in connexion with agriculture.

Mr. AUSTIN CHAPMAN.—What provision did the late Government make for it?

Mr. SYDNEY SMITH.—The late Government were going to make provision for it.

Mr. KENNEDY.—They were going to have a general election first.

Mr. SYDNEY SMITH.—They were prepared to go to the people and submit their policy to them, if they had been given the opportunity. I have no doubt they would have come back with a majority. This matter of a Federal Agricultural Department was discussed by the late Government, and they proposed to place a sum of money on the Estimates in connexion with it. I think that the present Government should give some attention to the matter. It is not a new proposal. It was discussed on a motion submitted by the honorable and learned member for Bendigo, and seconded, I think, by the present Attorney-General.

Mr. KENNEDY.—What was the decision of the Hobart Conference in connexion with that subject?

Mr. SYDNEY SMITH.—The Conference met for the purpose of dealing in an amicable way with certain matters, but the Federal Government of the day is surely not to be led entirely by the decisions of a conference.

Mr. KENNEDY.—It put a stop to the proposal.

Mr. SYDNEY SMITH.—It did not, as my honorable friend will find if he refers to the honorable member for Gippsland.

Mr. KENNEDY.—The proposal is as dead as Julius Cæsar.

Mr. SYDNEY SMITH.—The honorable member for Gippsland is an honorable man, and I am prepared to leave him to say whether he intended to do anything in that direction. At all events, we intended to deal with the matter, and I think that it should be dealt with. There are many ways in which it could be dealt with without interfering with the functions of the States. As one who has had a good deal to do with agricultural administration in New South Wales, I know that the States Departments are doing excellent work. But the expenditure in this direc-

tion might be lessened, and greater efficiency obtained, by the establishment of a central Commonwealth Department of Agriculture. Very often diseases affecting stock or plant life cause serious loss to stock-breeders and farmers. At present we have in the States five or six different agencies investigating such diseases; but the division of forces makes it impossible to obtain the services of the very best experts. If the Commonwealth carried out investigations to ascertain how best to prevent or to remedy diseases such as tuberculosis, the tick pest, or swine fever, the people of all the States would be greatly benefited. Salary should be no object in considering the appointment of the best man procurable.

Mr. CAMERON.—The money will be well saved.

Mr. SYDNEY SMITH.—I am sure of it. If there were a Federal Department of Agriculture, with a large, properly-equipped laboratory for the investigation of diseases of animals, and of plants, under the direction of the best man obtainable, our farmers, pastoralists, and others would benefit greatly, and the country might be saved millions of expense.

Mr. PAGE.—This is Socialism. I thought that the honorable member did not believe in Socialism.

Mr. SYDNEY SMITH.—I call it assisting individual effort; but even though the honorable member calls it Socialism, I am in favour of it.

Mr. CAMERON.—There are already Departments of Agriculture in the various States, and by amalgamating them we should obtain better results.

Mr. SYDNEY SMITH.—Yes, and should effect economies.

Mr. PAGE.—Speaking for Queensland, I think there is too much centralization now.

Mr. SYDNEY SMITH.—A very large number of pastoralists and others in Queensland were ruined a few years ago by the spread of the tick pest there.

Mr. PAGE.—But the honorable member saved New South Wales from the pest.

Mr. SYDNEY SMITH.—I tried my best to do so, and I did a little in preventing the tick from spreading, though my efforts incurred the hostility of a large number of pastoralists in Queensland. I felt it my duty to protect, not only New South Wales, but Victoria, and in that I was ably assisted by the Agricultural Department of the latter State.

Sir JOHN FORREST.—The tick would not live down here; it will not live in Western Australia.

Mr. SYDNEY SMITH.—I did not think it wise to run any risks.

Mr. PAGE.—It would have meant ruin to the dairying industry of New South Wales if the honorable member for Macquarie had not taken the action he did.

Sir JOHN FORREST.—I do not know about that. The pest does not exist in temperate climates. We know that from our experience in Western Australia.

Mr. SYDNEY SMITH.—At all events, the northern districts of New South Wales were very close to places in Queensland where the pest was doing great damage. In regard to the means of prevention which we adopted, we were at variance with the Queensland Department of Agriculture. In such cases there should be a Federal authority, empowered to take measures to prevent the spreading of disease from State to State, and to secure uniformity of action on the part of State authorities. That in itself would be very beneficial.

Mr. FISHER.—Under what law would it be done?

Mr. SYDNEY SMITH.—Under the Commonwealth law. It was previously held that our power to make laws in regard to quarantine applies only to human beings; but the Attorney-General of the late Administration gave the opinion that it applies also to animals. I cannot see why any limitation should be placed on the word, and I think that the interpretation which he gave is that which would be accepted by the High Court. Even if there were a little trouble at first, I think that the various States would soon see the advantage to be gained in the way of economy and greater efficiency by the establishment of a central authority. The dairying industry, the wool industry, and the meat industry might any of them be seriously affected by the spread of disease, and if that happened a large number of the citizens of the Commonwealth would be injured. Therefore, it is our duty to try to protect these industries.

Mr. PAGE.—We have already enough centralization.

Mr. FISHER.—The Commonwealth must exercise power in regard to quarantine.

Mr. SYDNEY SMITH.—The Treasurer indicated that he is rather in favour of doing away with the Braddon provision of the Constitution at the end of the ten years

during which it must have effect, though he says that the matter has not yet been dealt with by the Cabinet. I think that there is a great difference of opinion even among his own party on that subject, which will create a good deal of trouble, and it would have been better, as he is not prepared to deal with it now, to say nothing at all about it.

Mr. CAMERON.—No alteration can be made for four years to come, and the present Government will probably not be in power then.

Mr. PAGE.—There is every probability that they will.

Mr. SYDNEY SMITH.—Perhaps the Treasurer will have joined the caucus party then.

Sir JOHN FORREST.—No doubt we shall see the honorable member there.

Mr. PAGE.—How far is he from it now?

Mr. SYDNEY SMITH.—During the many years which I have been in politics, I have always been fair to labour, but I prefer to remain independent of caucuses, so that I may give free expression to my views. I am perfectly sure that my attitude in this respect will meet with the approval of the workers, and that I could successfully contest an election against the right honorable gentleman in a working man's constituency. The right honorable gentleman is acting in accordance with the desires of the Labour Party, because he knows that he cannot live without them. The honorable member for Gippsland suggested that the contract labour section in the Immigration Restriction Act might be modified in such a way as to make it apply only to men introduced under contract at lower rates of wages than those prevailing here, or at the time of a strike. Not a word was said by the Government as to their policy on the subject, until after the honorable member for Bland had expressed his approval of some action being taken in the direction indicated by the honorable member for Gippsland, but two days later we were told that the Government were favorable to a modification of the provision. The honorable and learned member for West Sydney recently stated in Sydney that the Act had been badly administered, and that it had been made to operate more drastically than was intended. The Treasurer having made a statement to-day with regard to the dissatisfaction existing in West-

ern Australia in reference to postal administration, it may not be out of place for me to offer a few remarks with regard to the condition of postal matters in that State. I do not wonder that dissatisfaction should exist. When I was administering the Post and Telegraph Department, I found that the condition of affairs in Western Australia was anything but what it ought to be, and I approved of the appointment of an officer from New South Wales to make a comprehensive inquiry. I thought it desirable to select an officer from another State, who would be able to view matters apart from any local influence, and give us the benefit of his experience. I adopted a similar course in connexion with the revision of the arrangements for letter clearances in Melbourne. When I found that letters for Queensland and New South Wales, instead of being sent away on the day that they were posted, were detained for twenty-four hours, I thought it necessary to make a change, and I brought over an officer from New South Wales.

Mr. MAUGER.—The honorable member did not bring over any bull.

Mr. SYDNEY SMITH.—The honorable member for Melbourne Ports displays great anxiety when any matter relating to the manufacturing interests is mentioned, but he ridicules every effort that is made to assist the agricultural class. I may tell him that the importation of the bull to which he has referred, resulted in more good to humanity than the honorable member will be able to effect during his whole life-time. I am glad to say that in a report dealing with the work of the Royal Agricultural Society of Victoria, special reference was made to the good work done by New South Wales in that direction. If the honorable member for Melbourne Ports will take the trouble to make inquiries, he will find that there are other industries just as important as those in which he takes such a great interest. The Treasurer challenged me in regard to the state of affairs in the Postal Department in Western Australia, and I wish to refer to a report referred to by the honorable member for Coolgardie last session. This disclosed a most disgraceful state of affairs.

Sir JOHN FORREST.—Was that an official report?

Mr. SYDNEY SMITH.—Yes; it was prepared, I think, by the accountant of the Postal Department. I believe the

as arrived when we should deal with the Post and Telegraph Department as a Federal, rather than from the stand-point. That is why I propose to appoint a chief electrician and an inspector to visit the various States, to furnish reports entirely free from any colouring. I am very glad to know my successor in office has also adopted this course. I felt the need of some such person to advise me at the time of the trouble in regard to the clearances of letters for Melbourne and Ballarat and other matters. I did not have acted in that matter in the interest of the Melbourne daily newspapers, but I claim that the changes I made have secured appreciable benefits upon a large scale to the public. At present over 1000 letters, which were formerly delayed to a delay of many hours, are being cleared daily, and although the newspapers may have been incidentally benefited, confidently, that the change has been justified by the results. I was subjected to severe criticism in connexion with the English mail contract, but I was not able to face it. I showed the shipping companies that the Commonwealth law was observed. I sent an officer to Western Australia to report upon the Post and Telegraph Department there, and I have a list of between fifty and sixty alterations which were proposed in the telegraph and telephone services. The officer did not send his report to the Deputy Postmaster-General of Western Australia, who recommended its adoption. As a consequence, a saving of £1000 will be effected during the current year, whilst a permanent saving of over £1000 per annum will result, and the efficiency of the service will be increased. The report of the Under-Secretary, covering Mr. Young's report, reads as follows:—

I submit herewith the report of Mr. Young, of the telegraph branch, Sydney, and of an inspector in New South Wales, on the condition of the telegraph and telephone services of this Department in Western Australia pursuant to the special instructions of the Minister (*vide* previous papers).

The report is, in my opinion, very full and complete, and contains information of great value not only from the stand-point of economy in working, but also what is even more important, increased efficiency, if immediate effect be given to the recommendations that have been

fully concur in all the recommendations with only two exceptions, one, a very minor matter, the substitution of caps for messengers'

wear, instead of the straw hats now worn by them. This may, I think, be left to the discretion of the Deputy Postmaster-General; it is largely a matter of climate, and, in my opinion, the caps do not afford sufficient protection in a warm climate during the summer. The custom of the country might, I think, safely be followed in this respect. The second is much more important, that is allowing the acting manager of the telephone branch, Perth, to retain his position for another three months to demonstrate his ability. In my opinion he has had ample time in the past for this, and has miserably failed. I think he should make way for a better man without further delay.

The whole report reflects very adversely and necessarily very severely upon the whole management of the Department in Western Australia. It shows that money has been wantonly wasted, and efficiency sacrificed, owing entirely to the incapacity or negligence, or both, of highly-paid and responsible officers. They should have an opportunity of replying to those portions of the report concerning them.

The Deputy Postmaster-General, Perth, should be instructed to impress upon all his officers, and particularly upon those holding responsible positions, that, without respect to either persons, or positions, officers who prove themselves to be either negligent or incapable in the discharge of their duties will be dealt with under the provisions of the Public Service Act and regulations.

As a first step towards dealing with this report, the whole of it, and the accompanying papers, should be referred to the Public Service Commissioner for his concurrence in those matters in which it is required.

I think it is only due to Mr. Young that he should be thanked for his report.

The Treasurer wishes to make it appear that my administration of the Postal Department resulted in an unsatisfactory condition of affairs, so far as Western Australia is concerned.

Sir JOHN FORREST. — That is the general feeling over there.

Mr. SYDNEY SMITH.—I rely upon facts, not upon feeling.

Sir JOHN FORREST.—The statement has been made in the press.

Mr. SYDNEY SMITH.—I can tell my right honorable friend that within two or three days after I had appointed a board to inquire into the conduct of a certain officer I received from one of the newspapers in Western Australia a telegram congratulating me upon the step which I had taken. Upon the report of the officer to whom I have referred, I wrote the following minute:—

In view of the numerous complaints received with respect to the conduct of the business of this Department in Western Australia, I approved of Mr. E. J. Young, of the Sydney office—an officer of wide experience and ability—being deputed to make a thorough investigation of the matter, and his report fully justifies the

step taken. If Mr. Young, a stranger to the place, could in a few weeks discover so many evidences of waste, and want of business capacity, what excuses have the officers concerned to offer for allowing such an unsatisfactory state of affairs to remain so long without suggesting any remedial measures? The responsible officers have been tried, and this report, which is supported by Mr. Hardman, the Deputy Postmaster-General, shows that they have sadly failed in their duty to the public and the Department, and they should be dealt with under section 65 of the Public Service Act. Public money has been squandered, and the public compelled to submit to inconvenience and loss, through either incompetence or neglect. In addition to the other evidences of maladministration, it appears that a new telegraph line, to cost nearly £5,000, was recommended without any justification.

Sir JOHN FORREST.—What line was that?

Mr. SYDNEY SMITH.—I will give my right honorable friend the name of it presently. I cannot recollect it off-hand.

Sir JOHN FORREST. — One would think that the honorable member would remember an expenditure of £5,000.

Mr. SYDNEY SMITH.—I did not anticipate making any reference to this matter, or I should have been prepared with the full report.

Sir JOHN FORREST. — The honorable member can supply me with the information only by reference to his papers. He does not recollect the name of the line in question.

Mr. SYDNEY SMITH. — I will give particulars later. When he was delivering his Budget statement the right honorable gentleman did nothing else but refer to papers. My minute continues:—

Mr. Young also makes reference to the way in which the condenser system has been used, and it is with surprise that I learn how little interest officers have evinced in the working of this inexpensive means of communication. Under this system, small communities can be given the advantage of cheap telephone communication, but instead of the officers assisting to perfect its working they appear to have shown the utmost indifference and neglect. I have, during the last few months, authorized the extension of the condenser system of telephone connexion to a large number of country districts, and, as the success of these facilities will largely depend upon the care and attention bestowed by the officers in charge, I wish the Deputy Postmaster-General to inform all concerned that I understand the efficiency of the system is being seriously imperilled through carelessness on the part of the officers, and that any case of neglect will be severely dealt with.

Prompt action should be taken to carry out the suggestions made by Mr. Young, except as to the use of caps and the appointment of the acting manager of the Telephone Branch, Perth, and the papers may then be forwarded to the

Public Service Commissioner, who will surely see the necessity for a complete alteration in the staff arrangements in the State men-

The Treasurer has made a statement which reflects upon my administration as Postmaster-General. If I had given effect to some of his proposals no doubt the staff would have been all right. But in carrying out any reform, I endeavour to ascertain whether they were justified in the public interest. I leave it to my successor to say whether many of the reforms which I initiated have not added to the efficiency of the Department.

Mr. GROOM. — The honorable member has continued the good work which he has been making progress.

Mr. SYDNEY SMITH.—I am not going to reflect upon anybody. As Postmaster-General, I claim that I did my duty, and in endeavouring to make such alterations as I thought would eventually prove of benefit to the people. During the period of the Reid-McLean Government remaining in office I kept the expenditure of the Post and Telegraph Department within the revenue.

Mr. AUSTIN CHAPMAN. — The line which the Treasurer referred a few months ago is that from Perth to Eucla.

Mr. SYDNEY SMITH.—The wire which I referred just now was the suggestion of a wire from Midland Junction to Northam, and the arranging of a wire instead of erecting an additional wire from Perth to Coolgardie, at a cost of £4,000. Mr. Young considered it to be unnecessary, and therefore he proposed an alternative which got rid of the necessity of erecting up the additional line, and made a saving of some thousands of pounds.

Mr. PAGE.—Who recommended the line?

Mr. SYDNEY SMITH.—I cannot say.

Mr. PAGE.—Did the honorable member take any action to find out?

Mr. SYDNEY SMITH.—Yes, I have asked the Public Service Commissioner to set up a board to find out whether the officers were allowed such a state of affairs to exist, and to be retained in the service. I feel that it was due to the Department that an inquiry should take place, and I admit that we have excellent officers in the Post and Telegraph service who are doing good work; but I consider that incompetent officers ought not to be a

to reflect discredit upon those who are efficient.

Mr. PAGE.—Was the inquiry made?

Mr. SYDNEY SMITH.—The board was appointed before I left office. I do not know what has been done since.

Mr. PAGE.—I think the Committee ought to know what the result was

Mr. SYDNEY SMITH.—The board was instructed to inquire what officers were responsible. I felt that in the public interest the matter ought to be dealt with promptly, and I also approved of the recommendations by Mr. Young, which were supported by the Deputy Postmaster-General and by the Secretary of the Department, making alterations which, I presume, have been carried out. During my term of office the Post and Telegraph Department had a surplus of £64,730. Therefore I do not think that we have any reason to be ashamed of our administration, nor has Parliament any reason to complain of the way in which affairs were managed. Indeed, no complaint has been made except by the present Treasurer.

Sir JOHN FORREST.—I merely said that there was a great deal of dissatisfaction in Western Australia.

Mr. SYDNEY SMITH.—I do not wonder at it.

Mr. PAGE.—The honorable member did excellent work.

Mr. SYDNEY SMITH.—I merely did my duty. Reference has been made to the contract made with the Orient Company for the carriage of mails to Europe. The Treasurer did not say much about that subject in his Budget speech, except to remark that the price was large. We all admit that. My right honorable friend knows that I was subjected to a good deal of criticism at the time the negotiations were being conducted.

Sir JOHN FORREST.—I think I was rather friendly to the honorable member in that matter.

Mr. SYDNEY SMITH.—In his Budget speech my right honorable friend made it appear that it was one of the matters as to which I merely did my duty, and that rather a big price was paid. The Government of which I was a member had a considerable amount of trouble in connexion with the contract.

Sir JOHN FORREST.—I thought that the honorable member was too long in concluding negotiations.

Mr. SYDNEY SMITH.—If we had occupied a shorter time we should have had to pay perhaps £30,000 a year more. I believe that when the matter is gone into fully, honorable members will admit that the Administration to which I belonged did its duty by the people of the Commonwealth in resisting what we thought an unfair demand by the Orient Company.

Mr. PAGE.—Why was Brisbane left out?

Mr. SYDNEY SMITH.—I asked the Orient Company to give consideration to the proposal to extend the service to Brisbane, but at that time the reply was that to do so would necessitate an extra vessel being engaged upon the line, and that it could not be done.

Mr. FISHER.—Why did the honorable member tie the company to go to Melbourne and Sydney?

Mr. SYDNEY SMITH.—Under the old contract the boats were compelled to go to Melbourne and Sydney, and the only alteration we made was one to enable them to go to Brisbane, and to make that port a terminus if they could make satisfactory arrangements.

Mr. PAGE.—How much difference would it have made in the amount of the contract if Melbourne and Sydney had not been included?

Mr. SYDNEY SMITH.—I do not think that it would have made any difference. My object was simply to give them more latitude. Under the old contract Sydney was looked upon as the terminus, and I altered the condition so as to enable the vessels to go to Brisbane, if satisfactory arrangements could be made by the company.

Mr. PAGE.—They have made them now.

Mr. FISHER.—Does the honorable member know that according to the contract the boats have to go to Sydney, whether they carry mails or not?

Mr. SYDNEY SMITH.—The boats have to go to Sydney with parcels and mails.

Mr. FISHER.—But the contract says that the boats have to go to Sydney, whether they carry mails or not.

Mr. SYDNEY SMITH.—That made no difference to the price, because the boats always carry mails. By striking out Sydney and Melbourne, we should give the company more latitude, and enable them to do practically as they liked in connexion with time-running.

Mr. R. EDWARDS.—Had the contract been for a service to Adelaide, would not the price have been less?

Mr. SYDNEY SMITH.—I do not think so, because the boats must go to Melbourne and Sydney for trade purposes. I could not get the boats to Brisbane, and I felt that I could not get the service performed for a less sum by asking the company to deliver the mails at Adelaide.

Mr. PAGE.—The honorable member had no thought of Brisbane.

Mr. SYDNEY SMITH.—I did all I could to study the interests of Brisbane. The honorable member will admit that tenders were invited, not by our Government, but by the previous Government.

Mr. FISHER.—But for a service, including Brisbane as a port of call.

Mr. SYDNEY SMITH.—The only tender which was received by either the Deakin or the Watson Government, excluded Brisbane, and included Sydney and Melbourne only.

Mr. PAGE.—A good way for the honorable member to show his *bona fides* is to assist us to get the £26,000 out of the Commonwealth.

Mr. SYDNEY SMITH.—I must see the terms and conditions of the contract before I can make a statement on that point. I was asked by a gentleman, "Why do you not cut out Sydney and Melbourne, because if you do, you will have no complaints from Brisbane." I said, "I have no right to do that. It will not cost any more to impose the condition, but it will give us the advantage of being able to compel the boats to run to time, and eventually I believe they will run to Brisbane." We also had considerable trouble about the Vancouver service before we renewed the contract. At first, the contractors asked for an extra sum of £20,000 a year.

Mr. FISHER.—They get £66,000 a year.

Mr. SYDNEY SMITH.—The Barton Government entered into this contract. All that the new contract will cost the Commonwealth is an additional sum of about £2,000 a year. I tried very hard to get the price reduced to the former sum, but I did not succeed. In the interests of Queensland, as well as of Australia generally, it would be unwise, I think, to discontinue this service. I believe that it is surrounded with great possibilities.

Sir JOHN FORREST.—Our exports to Vancouver are valued at £25,000 a year, and we pay an annual subsidy of £66,000 a year.

Mr. SYDNEY SMITH.—I admit that, but I should be very sorry to see the service discontinued at the time. I believe it is surrounded with possibilities, and if we could only quicker service on each side, there is a reason why mails should not be more quickly by that route than via Melbourne. I believe the time will come when it will be done. In time of war, the service route will be quite free from a number of complications which must inevitably arise in the neighbourhood of the Panama Canal. At all events, the late Government sanctioned the continuance of the service in the public interest. Previously, the Commonwealth had to contribute £10,000 a year.

Sir JOHN FORREST.—It seems to me that the honorable member is on his defence.

Mr. SYDNEY SMITH.—My honorable friend has referred to this contract, and I think I may be excused for saying a few words, especially when it is remembered that my action in this regard has been criticised a good deal.

Sir JOHN FORREST.—I thought the honorable member rose to criticise the contract. But he is defending himself instead of criticising me.

Mr. SYDNEY SMITH.—I am not here to be the critic of the right honorable gentleman, but to deal generally with the Estimates from the Federal standpoint. At this stage, we have a right to deal with financial questions, and the right honorable gentleman ought not to object to my remarks. Previously, Queensland and South Wales used to pay the whole of the subsidy for the Vancouver mail service. The late Government felt it was their duty to charge the expenditure according to population, and, in my opinion, that course was taken. I am very glad to hear that the Postmaster-General has accepted the proposal of the late Government for the administration of the central mail. For years the work was carried out on unsuitable premises. Although the premises were as good as the staff to be found in any office, still they had not the necessary accommodation to enable them to do out their work in a satisfactory way. Worse than that, their number was inadequate to the work to be done. The late Government felt that, in the public interest, it would be wise to increase the number of the staff, and I believe that the increase which we sanctioned, has tended



to economy, but to better administration. We all remember the great delays caused to take place in dealing with these matters. The time taken up in getting up papers and instituting innovations necessitated a great deal more expenditure than that occasioned by the appointment of a few extra clerks. I am so glad to find that my honorable friend is carrying out our proposal to appoint a chief electrician and a chief inspector. We found that great advantages were derived from the sending of officers from the Colonies to inquire into various matters. I felt that it would be a proper thing to have at the head office a chief electrician and a chief inspector, who could be sent to the Colonies on the spot, and also to deal with special cases in the various Colonies. We used to get reports from the Colonies Postmasters-General and the local authorities, but very often we felt that matters were not dealt with from the Federal point of view. I think that the presence of two officers at the head office will tend to assist, as well as economic administration. Some progress has been made to the question of penny post, and the Treasurer indicates that, in his opinion, that is a desirable reform, though he has not told us whether he would like to see it carried into effect.

I should like to see penny postage introduced throughout the Empire, if we could afford to adopt the system. Unfortunately, I found that at present the loss consequent on penny postage would be more than we are in a position to bear. The Government of which I was a member approved of the next best plan, namely, an Empire rate. The British Government suggested that if there were an Empire rate of twopence, the authorities in England would adopt a rate of a penny from England to other parts of the Empire. The Government fell in with that proposal.

Then, again, the rate on postcards throughout the Empire was reduced to one penny; and all these changes are in the direction of cheapening postal communication. We had to be careful in the matter, however, of the finances of the various Colonies, and these had to be considered. I shall be glad to see the day—and I hope it is not far distant—when the Commonwealth will be able to approve and adopt an Empire rate of twopence, but of one penny, because I am sure that such a system could not fail to have a useful influence throughout British possessions. However, as I have al-

ready said, we are not in the position now to adopt penny postage; although if the finances of the Post and Telegraph Department continue to improve, I hope to see the reform accomplished in the not far distant future. I regarded the construction of the additional telephone line between Sydney and Melbourne as perfectly justifiable; and I am glad to observe that my successor concurs in that view. Speaking from memory, I think inquiries showed that the income would return 10 per cent. on the cost of construction. During my term of office I was able to carry out a number of alterations in regard to the telephone service; and, since the beginning of the year, towns to the number of 400 have been approved to be placed in communication on the cheap system. For years these have been applying for extensions, and I thought it only right to place within the reach of the people this cheap means of communication. The honorable member for Illawarra suggested that Wollongong should be connected with the telephone system, and the cost of the work was estimated at £3,100; but by means of the condenser system, we gave the desired convenience at a cost of only £60. Expenditure of that kind is economical, and, at the same time, it offers facilities to the residents of the country districts, who are entitled to our consideration. In the past there has been a prejudice in some quarters against these cheaper systems of telephoning; but, all the same, I think that the advantages they offer ought to be availed of, and trees and fences utilized, and the condenser method adopted as far as possible.

Sir JOHN FORREST.—Where were the towns connected by these cheaper means?

Mr. SYDNEY SMITH.—There were some in Western Australia and some in Queensland.

Sir JOHN FORREST.—How many towns were there in Western Australia?

Mr. SYDNEY SMITH.—There were fifteen or sixteen towns approved to be connected in Western Australia, about 150 towns in Victoria, and, I think, about 200 in New South Wales. These lines were either approved or constructed — some were approved, but not carried out. People in the country districts, who live far away from medical men, and are not overburdened with facilities for carrying on their

business, ought to receive some consideration in this connexion. The Treasurer, I regret to say, takes a different view from that which I would approve in connexion with the status of the Deputy Postmasters-General. It has been decided by the Government to make the maximum salary for a Deputy Postmaster-General £800 per annum. In my opinion, we ought to get the best man possible for this position. In New South Wales, for example, there are about 6,729 official and non-official post-offices, with a revenue of about £1,000,000, and an expenditure of about £950,000 per annum. To control a business of this kind we, as I say, require the best men, and these cannot be obtained unless the salary is adequate. By one act of neglect or carelessness in wrongly placing one of the subordinate officials, a loss might be incurred far greater than the saving which is sought to be made by a reduction of the salary. What is necessary is, as far as possible, to place this position beyond political influence, and it would be better to leave the question of salary to be dealt with by the Public Service Commissioner under the Public Service Act, the same as are those of other officers of the Post and Telegraph Department.

Mr. JOSEPH COOK.—It would be possible to have the Deputy Postmasters-General graded by the Public Service Commissioner.

Mr. SYDNEY SMITH.—All other officers are graded by the Commissioner, the only officers not so graded being the Deputy Postmasters-General, although they are in charge of a branch of the Public Service which employs thousands of men. An incompetent deputy, who is paid a limited salary at the instance of the Government, might frustrate all the intentions of the Public Service Commissioner. The present Postmaster-General would be wise to give this matter further consideration. If we give the Public Service Commissioner power to grade subordinate officers, we ought to give him power to grade the Deputy Postmasters-General, subject, of course, to the approval of the Governor in Council. One of the Deputy Postmasters-General brought this matter under my notice. The officer in question took exception to certain statements made in the press as to the duties which he and his fellow deputies had to perform, and submit-

ted a long list of functions discharged by them, his object being to show that they were now called upon to perform more responsible duties than fell to their lot prior to Federation. I did not have an opportunity to bring his report before the Cabinet. Parliament concurred in the view which I submitted last year, that the salary of the Deputy Postmasters-General should be fixed at £920 per annum. On that occasion I thought it my duty, in the public interest, to defend the fixing of the salary at that amount, and the House agreed with me. As the report, to which I refer, was not dealt with by the Cabinet of which I was a member, it cannot be said that a Cabinet decision has been overruled; but the fact remains that Parliament determined last year that the salary should be £920 per annum. In my opinion, that remuneration is not too high, having regard to the responsible duties performed by these officers. Before retiring from office, I left on record a memorandum, in which I stated that—

Owing to the pressure of other important questions, I regret I have not had an opportunity before of looking into this matter, but, in my opinion, the success of the postal system of the Commonwealth must largely depend upon the intelligence, the initiative, and the vigour with which the Deputy Postmasters-General manage the business in their respective States. The nature of the business is such, and is so far removed from the centre of Government in most cases, that I personally do not quite see that their responsibilities can be considered as lessened since the establishment of the Commonwealth. We require in such positions men of tact, judgment, and good business ability, and if they act up to the public requirements in the positions they hold, I am of the opinion that they cannot be considered to have lesser responsibilities than they had under the State, when they had practically at their elbow a responsible Minister to whom they could submit their every action for confirmation.

This, as stated, is my personal view, but as I am about to leave office, I merely place this on record.

In these circumstances, I hope that the Government will carefully consider this question, and determine whether it would not be advisable to place the Deputy Postmasters-General in the position occupied by other Public Service officials, so that it will be the duty of the Commissioner to report whether he can obtain an officer, at the salary mentioned, to fill any vacancy that occurs. The Public Service Commissioner might have to appoint an officer below the standard which be considered desir-

simply because he was called upon to a salary below that which he thought able.

Mr. AUSTIN CHAPMAN.—Does the honorable member think that £800 per annum is a sufficiently high salary for a Deputy Postmaster-General?

Mr. SYDNEY SMITH.—I think that in some cases it might be impossible to secure a suitable man for the office at that salary. The time is coming when the deputies, being far removed from the central administration, will be called upon to discharge more important duties than they have hitherto to perform. Each Deputy Postmaster-General controls not only a very large number of officers, but all matters relating to the construction of telephone and telegraph lines and various postal requirements involving an expenditure of many thousands of pounds, and it should be our duty to secure men of the highest ability in such positions.

Mr. THOMAS.—Does the honorable member think that the salaries paid in times past have been sufficient?

Mr. SYDNEY SMITH.—The Deputy Postmaster-General of New South Wales received £920 per annum before Federation. I admit that in some cases very good men were secured for the office. I would recall the honorable member for Barrier as a private company, carrying on operations in his own constituency would think of paying £5,000 or £6,000 per annum for the services of an expert officer.

Mr. THOMAS.—But would the honorable member be agreeable to the Commonwealth paying £5,000 or £6,000 per annum to a Deputy Postmaster-General?

Mr. SYDNEY SMITH.—I do not think it would be necessary to go to that extent, but we should give the Public Service Commissioner power to recommend to the Governor-General in Council what, in his opinion, is a proper salary to pay, in order to secure an officer of high standard and competency.

Mr. THOMAS.—The blundering way in which the Postal Department has been administered seems to show that we have not done enough. There have been more mistakes in connexion with that Department than have occurred in any other.

Mr. SYDNEY SMITH.—That is one reason why I hold that, in relation to this matter, we are pursuing a false economy which may prove disastrous. If we cannot obtain a suitable officer for less

than £1,000 per annum, we must be prepared to pay that salary.

Sir LANGDON BONYTHON.—Is not the honorable member advancing an argument against centralization?

Mr. SYDNEY SMITH.—No. We must have a central authority, and I think it only fair to say that we have not a more honorable and trustworthy officer in the Public Service than is Mr. Scott, the Secretary to the Department.

Mr. THOMAS.—He is an able man.

Mr. SYDNEY SMITH.—He is an able man, who does his duty fearlessly and conscientiously, and he has a large body of excellent officers associated with him. It has been urged that if the Deputy Postmaster-General in New South Wales received £920 per annum, the difference between his salary and that of the Secretary of the Department would not be sufficiently marked. That fact, however, should not prevent us from granting the former a reasonable salary.

Mr. STORRER.—The Deputy Postmasters-General in the other States receive less.

Mr. SYDNEY SMITH.—But their responsibilities are less.

Mr. STORRER.—In some cases, they are further removed from the central administration. Take, for instance, the Deputy Postmaster-General of Western Australia.

Mr. SYDNEY SMITH.—It is true that they are in some cases far removed from the central administration, and that is a reason why we should do our utmost to secure competent men for the position. The condition of affairs which prevailed in the Department in Western Australia in the early days of Federation serves to emphasize my point.

Mr. STORRER.—A big salary does not always carry the best man.

Mr. SYDNEY SMITH.—I agree with the honorable member.

Sir JOHN FORREST.—But the honorable member seems to think that £800 per annum is a small salary.

Mr. SYDNEY SMITH.—It is a good one, but I hold that a salary of £1,000 per annum would not be too much, if it would command the services of a highly competent man to control the work of the Department in New South Wales, or, indeed, in any other State.

Mr. THOMAS.—£2,000 might not be too much in certain circumstances. The trouble is that, although we have paid good

salaries, we appear in the past to have had some duffers receiving them.

Mr. SYDNEY SMITH.—One reason why we passed the Public Service Act was that it was desired to do away with political influence. If the Public Service Commissioner is competent to deal with the grading of officers in the subordinate ranks of the service, he should surely be intrusted also with the grading of officers in the highest ranks, on whom he must depend to see that the work of the subordinate officers is efficiently performed. This power should be taken out of the hands of Ministers. I do not hesitate to say that I would not accept the position of Postmaster-General if I had to make appointments in the Department without the assistance of a Public Service Commissioner. In view of the great distance of many places from the centres of government, and the trouble which he would have in dealing with applications for increases and appointments, the life of a Postmaster-General would be most unenviable. No matter how conscientious a Minister might be, he could not properly carry out such duties.

Mr. PAGE.—Social influence is quite as bad as political influence.

Mr. SYDNEY SMITH.—I do not believe in either. I never on my own initiative appointed a single man to any position while I was in the Post Office Department.

Mr. PAGE.—The honorable gentleman had not the power to do so. He was simply a recording clerk.

Mr. SYDNEY SMITH.—I might have appointed temporary officers had I chosen to do so.

Mr. PAGE.—The honorable gentleman was only a temporary officer himself.

Mr. SYDNEY SMITH.—That may be so, but I feel sure that no Postmaster-General desires any such power of appointment. He would be aware that the appointment of any one of his friends would offend twenty other persons.

Mr. PAGE.—The honorable gentleman said the salary of the Deputy Postmasters-General should be raised from £800 to £920 a year.

Mr. SYDNEY SMITH.—I say that we should leave the matter to the Public Service Commissioner. Ministers should not deal with such questions.

Sir JOHN FORREST.—The honorable gentleman left the recommendation for the higher salary on record.

Mr. SYDNEY SMITH.—I know I did, and I have no hesitation in saying that, for a competent man in the position, £920 a year is not too much to pay. My strong argument is that such a matter should not be left to this or that Postmaster-General, but to the Public Service Commissioner. That officer should make his recommendation to the Government, and then, if the Government disapproved of the recommendation, Parliament should say whether they were justified in doing so.

Mr. PAGE.—The Public Service Commissioner has already too much say.

Mr. SYDNEY SMITH.—The honorable member assisted to give the power to him.

Mr. PAGE.—I am sorry for it.

Mr. SYDNEY SMITH.—I have had a good many years' experience of the work of the Public Service Commissioner. He was an Under-Secretary of mine in the Department of Mines in New South Wales for two or three years, and I am in a position to say that there is no more efficient, trustworthy, and honorable man in the Public Service of Australia. We were fellow clerks together thirty years ago, and I speak of him now, not as a personal friend, but as a public servant, when I say that he is a trustworthy, conscientious man, and that the Government of the Commonwealth were fortunate in being able to secure his services.

Mr. PAGE.—No one in this House has said a word against him.

Sir JOHN FORREST.—He is one of our appointments.

Mr. SYDNEY SMITH.—I give the Government of which my right honorable friend was a member every credit for the appointment of the present Public Service Commissioner. I believe they got the best man who could have been selected for the position. He is a man of great determination of character, and is not afraid to follow his judgment, even against a friend.

Mr. PAGE.—But the honorable gentleman will admit that he is not perfect.

Mr. SYDNEY SMITH.—We are all liable to make mistakes, but I am sure that the Public Service Commissioner is a man who would be found willing to admit that he has made a mistake when it is pointed out to him, and there is no man more ready to do what he believes to be

The honorable member for Mar-  
of opinion that this officer has already  
uch power. I do not admit that.  
onorable member admits that the  
Service Commissioner has been given  
powers in connexion with all subor-  
officers of the Public Service, and  
no reason why he should not have  
given similar powers in connexion  
Deputy Postmasters-General. I be-  
that Parliament intended that he  
have those powers, but when the  
n was raised subsequently the At-  
General decided differently.

PAGE.—The question was not raised  
he Public Service Bill was being  
red.

SYDNEY SMITH.—I would ask  
onorable member whether at that time  
not understand that every Deputy  
ster-General was as much under the  
of the Public Service Commissioner  
e matters as were the subordinate  
of the service?

PAGE.—I did.

SYDNEY SMITH.—I venture to  
nineteen out of every twenty mem-  
this House held the same view.  
ne question was subsequently raised  
ver was withdrawn from the Public  
Commissioner, and in that respect  
was not done to the Commonwealth

PAGE.—Why did not old parliamen-  
like the honorable gentleman see  
e matter was dealt with properly  
Public Service Bill?

SYDNEY SMITH.—I admit that  
ke was made in not making what  
ded more clear, but we should now  
medy the mistake.

PAGE.—The present Postmaster-  
has now settled the matter by fixing  
e of the salaries.

SYDNEY SMITH.—I hold that  
r who is responsible to Parliament  
work of the Public Service should  
ed that competent men are placed  
e of the Departments. They should  
paid a salary which will enable  
ic Service Commissioner to select  
positions men who will be com-  
see that his classification scheme  
ly carried out.

PAGE.—Why did not the honorable  
n practise what he is now preach-

Mr. SYDNEY SMITH.—I did practise  
it. I proposed a salary of £920, as re-  
commended by the Public Service Commis-  
sioner.

Mr. PAGE. — The honorable gentleman  
greased the fat pig every time.

Mr. SYDNEY SMITH.—The honor-  
able member cannot say that of me. If  
we want brains and ability we must pay  
for them.

Mr. PAGE.—We may pay too much for  
them.

Mr. SYDNEY SMITH.—If we con-  
sider our own position we shall find that  
while we are paid £400 a year as members  
of Parliament, honorable members, on tak-  
ing office as Ministers, are given a salary  
of £2,000 a year.

Mr. PAGE.—Is there no honour attached  
to the position?

Mr. SYDNEY SMITH. — Of course  
there is, but there is also extra pay attached  
to it, because it is admitted that Ministers  
of the Crown have to assume extra respon-  
sibilities. I am aware that the present  
Postmaster-General has no feeling in this  
matter.

Mr. AUSTIN CHAPMAN.—It is an easy  
thing for a Minister when leaving office to  
leave a recommendation for the payment  
of a big salary.

Mr. SYDNEY SMITH.—My honorable  
friend cannot accuse me of that. The  
matter was raised in this House. I stated  
my opinion and my determination to have  
the salary fixed at £920.

Mr. THOMAS.—The taunt of the present  
Postmaster-General is a very unfair one.

Mr. AUSTIN CHAPMAN.—It was no taunt.  
It is sometimes very much easier to talk  
about these things than to do them.

Mr. SYDNEY SMITH.—This is what I  
said:—

The suggestion was then made that the salary  
attaching to the office (Deputy Postmaster-  
General, Sydney), should be reduced to £800 per  
annum. It is perhaps needless to say that I do  
not agree with that suggestion. I think that an  
officer who is qualified to fill such an important  
position, should, by reason of his ability and  
experience, be able to command a salary of £920  
per annum. There is no doubt whatever as to  
the ability of the present occupant of that office.  
He has to control a revenue which last year  
amounted to £941,000, and an expenditure which  
aggregated £950,000. Further, he has to take  
charge of the Government Savings Bank's trans-  
actions, and of all Money Order and Postal Note  
business. He has also to accept a responsibility

which he was not previously called upon to bear. In pre-Federation days the Postmaster-General shouldered the responsibility of approving of practically all expenditure in connexion with the Department, but at the present time it devolves upon the Deputy Postmaster-General. Last year this officer had to control no less a sum than £11,000,000. He controls 3,865 permanent officers, and 2,859 non-official officers, or a total of 6,724 officers. Obviously, it is necessary that we should have a man of ability to fill that position, and to secure the services of such an officer we must pay him a good salary. We all know what is done by private employers. The Broken Hill Proprietary Company does not hesitate to pay £5,000 or £6,000 to a person to manage its business.

Mr. PAGE.—There is no comparison between the requirements of the two positions. The manager of the Broken Hill mine is an expert of high reputation.

Mr. SYDNEY SMITH.—Yes, but the officer of whom I am speaking must possess a fair knowledge of post and telegraph matters, and of business generally. There is another question arising out of the Budget to which I wish to refer. This Parliament has affirmed the desirability of paying for public works out of revenue. I think that that is a course which tends to economy, and the Treasurer himself has expressed the view that public buildings should always be paid for out of revenue.

Sir JOHN FORREST.—That is my view of what should be done, and the practice followed in Western Australia was, as a rule, to pay for buildings out of revenue.

Mr. SYDNEY SMITH.—We have adopted this principle, and have boasted that we are going in for economy. The Treasurer of the day comes down, and points out that all the new buildings and works in connexion with the big Departments of the Post Office and Defence are to be paid for out of revenue, and that there is to be no extravagant expenditure. But, on looking through two reports of the Auditor-General I find that the Treasurer of Queensland has done what amounts to the overriding of the Federal authority by that of a State. In two instances, in one of which £34,760 was involved, and in the other £23,183, the Treasurer of Queensland has taken out of Queensland loan funds the amount deducted by the Commonwealth, and paid it into the Queensland revenue. The Auditor-General in his report refers to this matter in the following terms:—

The following amounts charged by the Commonwealth from 1st July, 1901, to 31st May, 1903, to revenue fund on account of new works

were charged by the State to the

State loan fund. Votes and consolidated fund credited with the total amount—

Electric Telegraphs	...	£33,287
Defence	...	1,472
Total	...	£34,760

The following amounts charged by the Commonwealth from 1st June, 1903, to 31st May, 1904, to revenue fund on account of new buildings were charged by the State loan fund. Votes and consolidated fund credited with total amount—

Electric Telegraphs	...	£16,464
Defence	...	6,718
Total	...	£23,183

The Premier of Queensland wrote Government protesting against the expenditure in connexion with the building of post-offices at Cairns and Longabba, but we did not take notice of his request, because we considered that buildings were required in the public interest, and we were prepared to take responsibility for the expenditure. Economy will come to nought if the Treasurer can, by taking from loan funds the amount we expend, and paying it into his consolidated revenue account, practically meet the expenditure out of loan funds. Whilst we are practising economy and endeavouring to meet current expenditure out of revenue, it is not fair that a State Government should adopt this means of adding to the public loan burden. We have some controlling power in the matter, and a uniform system should be adopted in connexion with our public accounts. Sooner some definite arrangement should be made, the better it will be for the Commonwealth and for the States.

Mr. FISHER.—Does the honorable member argue that the fact of our carrying out our expenditure to the amount available for revenue tends to economy?

Mr. SYDNEY SMITH.—Yes. It is very easy to apply loan funds to the construction of all kinds of works, while the money has to be found out of revenue, greater care is as a rule exercised in expending it.

Mr. FISHER.—Loan expenditure is waste, and to too lavish an outlay.

Mr. SYDNEY SMITH.—Yes. It would be impossible to carry out a programme with the money available from revenue at the same time, I believe that the system which has been adopted by the Commonwealth

th is a good one, and that we should  
gly discountenance the course adopted  
ne Queensland Government.

Mr. McDONALD.—Does the honorable  
member mean to say that the Queensland  
Government have recouped their revenue  
of loans to an amount corresponding  
to that which has been devoted to the  
erection of public works in that State  
of the Commonwealth?

Mr. SYDNEY SMITH.—That has been  
the case in the two cases to which I have re-  
ferred.

Mr. McDONALD.—That is absolutely dis-  
tasteful.

Mr. SYDNEY SMITH.—I have been  
able to ascertain whether a similar course  
is being followed during the current year;  
I hope not. I obtained my informa-  
tion with regard to the expenditure last  
year from the Auditor-General's report.  
It is unfair to us that the States Govern-  
ments should thus increase their loan  
debts whilst we are endeavouring to study  
our interests by practising rigid economy.

Mr. STORRER.—Are all the States doing  
what the honorable member describes?

Mr. SYDNEY SMITH.—No; the only  
one of which I know have occurred in  
New Zealand. The Government of that  
country may consider that they are doing a  
very ingenious thing; but I do not think  
they are acting fairly towards the  
Commonwealth. The honorable member for  
Melbourne Ports has had a good deal to  
say with regard to the Tariff. He seems  
to think that the duties levied by us should  
be regulated in such a way as to suit the  
peculiar needs of the Victorian manufac-  
turers. An agitation has been entered  
into to induce the Tariff Commission to  
report as to the effect of the Tariff upon  
the industries in Victoria before they  
make their inquiries in other States, but  
I intend that that would be an utterly  
unjustifiable course to take.

Mr. MAUGER.—What is desired is that  
the industry shall be made the subject of  
inquiry in every State, and that a report  
should be presented with regard to it before  
any matters are inquired into.

Mr. SYDNEY SMITH.—But surely it  
must be recognised that one item in the  
Tariff may affect a number of industries.  
For instance, the sugar duty. We  
know that that has a considerable influence  
upon a large number of enterprises.

Mr. MAUGER.—The Commission might  
be divided into a group of inter-related items.

Mr. SYDNEY SMITH. — The duties  
should be considered from the stand-point  
of those engaged in every industry that is  
likely to be affected by them. The honor-  
able member for Melbourne Ports repre-  
sents that the industries of Victoria are in  
a very distressful condition, but, according  
to a report which has been laid upon the  
table of this House, the position of affairs  
is not so unsatisfactory as has been repre-  
sented. The report reads as follows:—

In order to show in a concise form the de-  
velopment of the manufacturing industries of  
the States, and the effect of the Federal Tariff  
on such development, the subjoined summary of  
the values of transfers to other States of Aus-  
tralian goods is given. The figures show the  
total trade from each State, after carefully  
eliminating articles of agricultural produce, raw  
material, and coin and bullion:—

From	1899.	1904.
	£	£
New South Wales ...	515,021	1,731,590
Victoria ...	1,521,899	3,356,354
Queensland ...	1,110,639	1,502,814
South Australia ...	697,529	867,673
Western Australia ...	4,526	14,199
Tasmania ...	123,583	175,953
	£3,973,197	£7,648,583

Increase since Federation, £3,675,386.

That does not bear out the statements put  
forward by the honorable member for Mel-  
bourne Ports. It has actually been sug-  
gested that, in the interests of local imple-  
ment makers, we should prohibit the im-  
portation of harvesters.

Mr. MAUGER.—I wish that we could.

Mr. SYDNEY SMITH.—The honorable  
member will give no consideration to the  
other industries of the country. He was  
not justified in making the statement which  
he did. Does he expect the Treasurer to  
support his claim that drastic alterations  
should be made in the Tariff? Some time  
ago the right honorable gentleman wished  
to know where was our mandate for mak-  
ing any such alteration?

Sir JOHN FORREST.—When was that?

Mr. SYDNEY SMITH.—During the  
current year. The right honorable gentle-  
man said—

Where is our mandate from our constituents  
to alter the Tariff? I am in favour of the existing  
Tariff being given a fair trial. It was arrived  
at after much labour and controversy, and I  
recognise that it would be unwise to disturb it,  
and that to do so at the present time would be  
detrimental to the interests of Australia and to  
trade all round. The verdict of Australia will,  
at the coming elections, be in accordance with the  
above decision.



The Prime Minister. it will be recollected, made a similar statement. Yet, despite these facts, the honorable member for Melbourne Ports is now attempting to force the Government to effect drastic alterations in the Tariff.

Mr. MAUGER.—We have appointed a Tariff Commission since then.

Mr. SYDNEY SMITH.—The Treasurer adopts a very peculiar method of reasoning in regard to the operation of the Tariff. In his Budget speech he said—

We have often heard that Queensland has lost an immense sum of money through the operation of the Commonwealth Tariff, but the people of Queensland have in their pockets the money which is said to have been lost. On the other hand, we are told that New South Wales has gained considerably, but the people of that State have had to make up the excess which the Treasury has received over the revenue of 1900. The Treasurer of New South Wales will have gained, up to the 30th June, 1906—the end of the financial year—£5,941,408.

In one case, the right honorable gentleman argues that, because the taxpayers of New South Wales have contributed to the Treasury £5,941,000 in excess of what they would have contributed under the old State Tariff, they have gained to that extent, and, in the other, he claims that the people of Queensland, who have been taxed to the extent of £2,100,000 less than they were previously, have also gained. The Treasurer has declared that the cost of Federation represents only 1s. 5½d. per head of the population. I venture to say that he will experience some difficulty in persuading the people of New South Wales of the accuracy of his statement, in view of the increased taxation which has been imposed upon them.

Sir JOHN FORREST.—What have the Government of that State done with the additional revenue which has been returned to them?

Mr. SYDNEY SMITH.—In many instances, I regret to say, that they have spent it in a way that I do not approve. I have no desire whatever to prolong this debate, but I felt that it was my duty to criticise certain portions of the financial statement. I regret exceedingly that, in regard to some matters, the Treasurer was not more definite.

Mr. THOMAS.—Definiteness is the honorable member's strong point.

Mr. SYDNEY SMITH.—We look to my honorable friends in the Ministerial corner to give us a definite lead in connexion with these proposals, but I am

afraid we shall look in vain. Reference has been made in the course of the debate to the administration of my honorable and learned friend the member for Corinella while he was Minister of Defence. It is only due to him to say that during the time he was in office he put in as much work for the improvement of the defences of Australia as all his predecessors had done.

Mr. PAGE.—He was the best Minister of Defence we have had.

Mr. SYDNEY SMITH.—I quite agree with the honorable member. Those who listened to or have read the honorable member's speech will admit that he has given a great deal of thought to a problem which we must all admit to be an exceedingly difficult one to solve. For many years past our defences have been in an unsatisfactory condition. I believe that the time will come, and that at no distant date, when we shall be called upon to increase our defence expenditure very largely. When that time arrives I hope that such advice will be tendered to us as will enable us to expend our efforts in the right direction, and so to lay out our money as to insure the best possible result. In the past our expenditure has not been so usefully directed as it ought to have been. I trust that the present Government will give their earnest attention to the problem which, complicated as it is, must be solved, and that they will bring forward a satisfactory defence scheme for our consideration.

Mr. PAGE.—Does the honorable member think that we have had value for our money in the past?

Mr. SYDNEY SMITH.—I have no hesitation in saying that we have not. I have myself criticised severely the reduction of expenditure on equipment and ammunition.

Mr. BROWN.—Does the honorable member think that we are going to get value for our money in the future?

Mr. SYDNEY SMITH.—I hope so. There can be no question that the British Government has done a great deal for us, and is still doing much. I am afraid that had it not been for the protection of the grand old flag we should have been in a very sad position. The recent war in the East has shown us the necessity for immediate and close attention to all questions connected with our defences. We are living in a fool's paradise.



matter must be taken up seriously and not only by the military authorities and the Government. When the Estimates are forwarded for discussion in detail I intend to take some action in connexion with military and naval expenditure, and I hope that other honorable members will be prepared to criticise it thoroughly. I am sorry that I have taken up so much time, but I hope that I have said nothing that is offensive to any honorable member. Our duty should be so to conduct our debates that although we may hit hard in the matter, we disturb no friendships outside. Personally, whenever in the heat of debate I have let fall any remark which appeared to be of an unfriendly nature, I have always been more sorry for it than the honorable member whose feelings were hurt could have been. I felt it to be my duty to make these observations in connexion with the Budget in order to make known what I believe to be the opinions of the members of whom I represent.

MR. FULLER (Illawarra).—The honorable member who has just resumed his seat has given us an explanation of the administration of the Post and Telegraph Department, and I am glad he had the honour of being at the head of it. I think every honorable member representing a country constituency throughout Australia can cordially indorse what he said, because if ever there was a Master-General who did his utmost to protect those people in the country districts who live at a great distance from the centres of civilization, the honorable member for Wide Bay is that man. He did all he could for them at the smallest possible expense, and every one must feel satisfied that he succeeded in his efforts. I sincerely trust that his successor will do as well, at any rate in this respect, in the footsteps of his predecessors, and look after the interests of country people, more particularly in connexion with the question of postal communication. I agree entirely with everything which has been said by honorable members in regard to the helping of rifle clubs. If there is one thing more than another that we should encourage as far as possible, it is rifle shooting. We should make as many of our citizens as possible expert rifle shots. I am very much indeed to see that the vote for this purpose has been cut down. I have always favoured to support their interests here. I sincerely trust that all honorable members who have followed recent doings in

warfare will encourage the establishment of these clubs. The principal question on which I rose to speak is one which affects me personally as a member of perhaps the most important Royal Commission which has ever been appointed in Australia. I take this step because of an article in the *Age* of this morning. I am sorry that the Prime Minister is not present, because I think it is a matter to which we ought to direct his very serious attention, in the interests of not only the Commission itself, but the country generally.

MR. FISHER.—Some of us have not seen the article. What is it?

MR. FULLER.—I intend to read a few extracts, so as to enable such honorable members to understand the references I intend to make.

MR. FISHER.—My view is that it is a very serious matter for a member of the Commission to raise such a question here.

MR. FULLER.—That is a matter for me to consider. At any rate, I think it is of such serious importance that I draw the attention of the Prime Minister to the article, in the hope that he will see that the Tariff Commission is protected against attack in this way. The passages to which I wish to draw attention I will now quote—

In their impatience with the dilatory delays of the Tariff Commission, the Protectionist Association and the Chamber of Manufactures simply speak the sense of the industrial community. The proceedings of that Commission are really an outrage on the interests which the Commission was designed to serve. . . . It is a common expression now in the lobbies of Parliament House that there will be no attempt at Tariff revision in this Parliament, and that the Tariff Commissioners are astutely marking time with that very intention.

MR. RONALD.—Hear, hear.

MR. FULLER.—It shows the feeling amongst some honorable members in connexion with the Tariff Commission when one of them can say "Hear, hear," to a grave accusation of that character against its members. The honorable member for Wide Bay interjected that this is a serious matter for a member of the Commission to bring forward here. Surely I have a right to resent accusations of this sort, especially when I know them to be absolutely untrue?

MR. FISHER.—My reason for the interjection was that the honorable and learned member held a commission from the Crown, and that nobody could touch him.

MR. FULLER.—I know that, but the further accusation I am about to read is

one from which the Commission should be protected by the Government, because it is a very serious one indeed—

New fiscal questions will arise doubtless in all the States—questions affecting the encouragement of sugar and cotton, hemp, flax, fibre, essences, and the like. But they are not questions which need a Tariff Commission for their settlement.

We all agree with that.

And it is almost literally true to say that in Victoria alone are there any extensive injuries to industry from the Tariff. And yet the Chairman of the Tariff Commission would have us believe that there can be no recommendations in relief of the ruined industries of this State until there has been an exhaustive inquiry into all kinds of irrelevant matters in all the other States. It is this bad faith on the part of the Commission towards Victoria which excites the indignation of those who are so sorely suffering.

The members of the Commission as a body are accused of bad faith to Victoria. Much as I have always disagreed with the policy of Victoria, much as I have believed that it has been a mistaken one in the interests of the people, still I have always been prepared, as I still am, to give not only Victoria, but every other State, full, fair and honest consideration in this inquiry. I, as a Commissioner, object to be accused of acting in bad faith to Victoria or any other part of the Commonwealth. When we are accused of acting in this way, I, as a Commissioner, call upon the Prime Minister to find out from its Chairman the circumstances under which the Commission has been conducted. In this article, we are accused of neglecting to inquire into the industries of Victoria, and it is pointed out that irrelevant evidence has been taken in other States. I want the Prime Minister to inquire from the Chairman what were the circumstances under which the Commission left Melbourne in the first instance. The members of the Commission removed, first, from Melbourne to Sydney; secondly, from Sydney to Brisbane; then from Melbourne to Tasmania; and now some of them are on their way to Western Australia, whence it is proposed that they should go to South Australia, and next to Melbourne. We all know that it was in Melbourne where the whole trouble was supposed to exist. It was, I take it, the real or supposed stagnation of the metal and machinery business which caused the Commission to be appointed. Yet this industry, which was supposed to be the one, above all others, which needed inquiring into, has never been touched by the Commission at

all. In justice to myself and other members of the Commission, I wish the Minister to ascertain from the Chairman the views which were expressed by the members in connexion with the scene of inquiry, in the first instance, from Melbourne. I do not want to sit on the Commission and to be accused of bad faith to Victoria, or any other State. When such accusations, as contained in this article, are made against members of the Commission, it is to the Prime Minister, I take it, in the name of its members, to take steps to set the truth. From what is pointed out in this article, one would think that no other part of the Commonwealth except Victoria was entitled to consideration; for it is pointed out that in no other part of the Commonwealth have industries been wrecked. But if it is true, as it is, that the people outside of Melbourne and Sydney are entitled to consideration in this inquiry. Surely we are not entitled to consider only the industries in the other States? Surely we ought to give consideration to the men who are engaged in mining, agricultural, pastoral, and other pursuits—an opportunity of giving evidence before the Commission, and giving evidence in support of or rebuttal of the charges which has been made out for certain States? I think that every opportunity ought to be afforded to these States to give what evidence they think fit. One case, which was brought before the Tariff Commission, is illustrative of others. This is a case in which it is stated that the American combine, having copied an Australian invention, is now engaged in the business of strangling the business of local producers by means of a vast capital, and limited powers of production. In connexion with this matter, I am not revealing anything of a confidential character. Yet it is true that an application was made to the Chairman of the Tariff Commission to give the farmers of Victoria an opportunity of giving evidence at the Show Week of giving evidence. It is most important that all people concerned should have a full opportunity of giving their case to the Tariff Commission. I regret having to call attention to this in a paper article, but I felt that I must do so, in justice to the members of the Commission, in order to protect them from slanders of this sort. It is absolutely true that the Tariff Commission is

ing time in connexion with the taking evidence with the object of preventing presentation of a report during the life of this Parliament. Every member of the Tariff Commission has sacrificed his time and done his utmost to expedite the business.

But the matters to be dealt with are of great moment, and the results of the report of the Commission will be of a far-reaching character. It is our duty, therefore, to inquire into all the facts, and probe to the very bottom, in order to ascertain the absolute truth. Such a work necessarily means the occupation of a large amount of time, and it is absolutely impossible with any fairness to complete the inquiry. I again ask the Minister, in justice to the Commission, to have a report from the chairman stating the circumstances under which the Commission left Melbourne. I should also like it to be shown that there is no evidence of any bad faith on the part of the Commission in connexion with Victoria. Such a report as I have suggested is necessary to prove the allegation in the newspaper article—to disprove, further, the statement that scandalous delays have taken place in connexion with the proceedings of the Commission. I trust that the Prime Minister will be able to regard this matter from the point of view that I, myself, do. A Tariff Commission of this character is entitled to protection from outrageous statements, such as I have quoted. The newspaper article, referring to matters outside the Tariff Commission, goes on to say that, "as the effects of the Tariff are considered, it is the Victorian industries on which it has worked havoc. I have here a report prepared at the instance of the late Treasurer, the honorable and learned member for Balaclava."

Mr. PAGE.—Havoc has been worked in the sugar factories in Queensland.

Mr. FULLER.—The increased production in Victoria has worked havoc, so far as the revenues of Queensland and Tasmania are concerned. The report to which I refer, shows the effects of the uniform Tariff on trade and manufactures, and the results have been compiled by the collectors of Customs in the various States. The present Minister of Trade and Customs appeared on the floor of the House that this statement was of such importance that it ought to be printed and circulated. I sincerely trust that the report will be printed and so circulated that every person in the

Commonwealth may be able to realize that the Victorian manufacturers, and the people of that State generally, have no reason to be dissatisfied with Federation—that, on the contrary, beyond every State on the continent, Victoria has reason to be satisfied, from the point of view of increase of trade and employment.

Mr. RONALD.—Up to the present there has been no protection afforded in Victoria under Federation.

Mr. FULLER.—I know that the Commonwealth Tariff is low, compared with the high protectionist Tariff operating in Victoria in years gone by. Although Victorian industries may have been established, and may have been successful under the old State Tariff, no one engaged in manufacture in Victoria now has reason to be dissatisfied with the results of the Federal Tariff.

Mr. ISAACS.—Is that not rather prejudging the result of the Tariff Commission's inquiry?

Mr. FULLER.—I do not think that what I am now saying has anything to do with the Tariff Commission.

Mr. MAUGER.—What return is it to which the honorable member is referring?

Mr. FULLER.—It is a return which was laid on the table at the instance of the honorable member for Kooyong, by the present Minister of Customs, although it had been compiled at the request of the late Treasurer, the right honorable member for Balaclava. I should be pleased if the honorable member for Melbourne Ports would peruse the report, because I am sure he would thereby receive an "eye-opener" as regards the effect of the Commonwealth Tariff on Victorian industries. Too great publicity cannot be given to this document, and I trust that, in accord with the promise of the present Minister of Trade and Customs, it will be printed and circulated, so that the public generally may be informed as to the results of the uniform Tariff.

Mr. ISAACS.—The sooner we get the report of the Tariff Commission, the sooner we shall have the information in proper form.

Mr. FULLER.—I do not know that it is the duty of the Tariff Commission to compile Inter-State returns of this character. So far as I understand, I, as a member of the Tariff Commission, am commissioned to inquire into the effect of

the Tariff on Australian industries generally; and I think I am now perfectly justified in referring to a return laid on the table of the House. In connexion with the transfer of Australian goods between State and State, I desire to draw attention to a comparison between the year 1899, prior to the establishment of Federation, and the years 1903 and 1904. My object is to show the difference between the export of Australian-made goods from Victoria to the other States in the year prior to Federation, and the export in the two years which I have mentioned.

Mr. MAUGER.—But it will be necessary for the honorable and learned member to show how much of her own trade Victoria has lost.

Mr. FULLER. — I wish to show that, as the outcome of the uniform Tariff and Inter-State free-trade, the people of Victoria have benefited so largely that, instead of being the first to complain of the effects of the Tariff they should really be the last. Local manufacturers ought to be amply satisfied with the results shown in the return to which I refer, for it shows that Victoria has established a great trade with the other States. I do not wish to refer to the return to any greater extent than is necessary to give point to my argument in opposition to the statement made by the *Age* as to the effect of the Tariff on Victorian industries. The first item that I have selected from this return, which shows the exports of Australian-made goods from Victoria to the other States, is that of "Apparel and articles n.e.i." The value of these articles exported from Victoria to the other States in 1899 was £119,929; but in 1903—two years after Federation—it was £336,776, while in 1904, the export of these goods from Victoria to other States had increased in value to £382,383. These figures show that the establishment of Federation has resulted in Victoria securing an increased trade with the other States, so far as these articles are concerned.

Mr. KENNEDY.—In the return to which the honorable and learned member refers, are the goods of local manufacture distinguished from those of foreign?

Mr. FULLER.—Yes; the return makes a distinction between exports of local goods and of oversea imports. One or two of the items relating to the export of oversea imports show that Melbourne—which in this matter represents Victoria—has become a

larger distributing centre for Australia than she was prior to the establishment of Federation. I am not in a position to say whether this remark will apply generally to the articles enumerated; but it will be open to honorable members to examine the return for themselves. I am dealing with the exports of Australian-made goods from Victoria to the other States. I come now to the item, "Arms and cartridges," the value of the exports of which from Victoria to other States in 1903 was £29,306 in excess of that for 1899, while the exports for 1904 show an increase of £19,865 over those for 1903.

Mr. MAUGER.—What proportion of those goods was supplied to the order of the Government?

Mr. FULLER.—I cannot say. To my mind it is immaterial whether the goods were sent out to the order of the Government or of private individuals.

Mr. MAUGER.—The point is that, as the industry is practically a national one, the Government have sought to help it by giving orders for supplies for other States. They would have given those orders quite irrespective of the Tariff.

Mr. FULLER.—I am quite willing to give the honorable member the benefit of the doubt. There are many other articles in support of my contention. Take, for instance, the boot and shoe industry, of which we have heard very frequently in this House.

Mr. MAUGER. — No one has ever mentioned the boot and shoe industry as a strangled one.

Mr. FULLER.—I should like to know how we are to determine whether or not an industry has been strangled until we have the evidence before us. In this matter are we to accept the statements of the honorable member for Melbourne Ports, the honorable member for Southern Melbourne, or even those of the *Age* newspaper? I think not. We cannot be expected to accept the statements of representatives of fiscal associations, or of newspapers supporting a particular policy.

Mr. ISAACS.—The honorable and learned member has pronounced judgment, or very nearly so, to-day, on the results of the Tariff.

Mr. FULLER.—I have expressed no judgment in the matter.

Mr. ISAACS.—The honorable and learned member's speech will read very like it.

FULLER.—I have simply requested the Prime Minister to make inquiries as to the accusations made against the Tariff Commission. When the Commission is attacked as it has been by the article in this morning's issue of the *Age*, it is surely my duty to see that steps are taken to defend the Commission against charges which, in my opinion, are absolutely without foundation. They should be made against it. I have the figures relating to the exportation of Australian-made blankets from Victoria to other States of the Commonwealth. The value of these exports in 1903 was £170 in excess of those for 1899.

HUME COOK.—What was the deficit in tweeds?

FULLER.—So far I have merely asked indiscriminately certain items that are at my contention, but if the Committee say that I shall be prepared to read the returns, although it is a very extensive task, I am sure that honorable members will agree that such articles as apparel, shoes, and blankets relate to very important industries in Victoria.

HUME COOK.—Blankets are the only class of woollen goods the output of which has increased under the Commonwealth.

FULLER.—The honorable member will be correct, and I shall be glad if he is able to prove from these tables that he is. Honorable members opposite, however, will find it difficult to disprove the figures which appear in the returns from which I have derived them.

MAUGER.—There is no necessity to dispute them.

ISAACS.—The honorable and learned member is anticipating his decision on the question of the Tariff.

FULLER.—I am not referring to the Tariff Commission in any shape or form.

I am referring to returns supplied by the Customs Department, at the instance of the late Treasurer. The honorable and learned gentleman cannot show me how they affect the decision of the Tariff Commission.

ISAACS.—The honorable and learned member is pronouncing judgment now.

FULLER.—I am not anticipating judgment of the Tariff Commission in any way. I am referring to these returns now that certain Victorian industries have not been injured as the result of the operation of the present Tariff.

Mr. RONALD.—The honorable and learned member is making use of his knowledge as a member of the Tariff Commission, to prejudice the case.

Mr. FULLER.—The honorable member is making an absolutely untrue accusation against me.

The CHAIRMAN.—The honorable and learned member must withdraw that statement.

Mr. FULLER.—I withdraw the statement, but I say that the accusation is absolutely incorrect, and I suppose that is as far as I shall be allowed to go. It is very unfair of the honorable member to say that I am making use of my knowledge as a member of the Tariff Commission in making these statements.

Mr. RONALD.—“To prejudice the case,” is what I said.

Mr. FULLER.—I am not endeavouring to prejudice the case before the Tariff Commission. I have not expressed any judgment on it. I am directing the attention of the Committee to the results of the operation of the Tariff in connexion with the exportation of goods manufactured in Victoria to other States of the Commonwealth.

Mr. RONALD.—The honorable and learned member is making an *ex parte* statement.

Mr. FULLER.—I am making no *ex parte* statement. I am referring members of the Committee to a compilation of figures prepared at the instance of the late Treasurer, and signed by the Collectors of Customs of the various States.

Mr. RONALD.—I do not refer to the figures, but to the deductions which the honorable and learned member has made.

Mr. FULLER.—I have made no deductions. I have merely quoted figures dealing with the exports of Victorian manufactures to the various States. I can appeal to the Committee to say that I have not gone beyond that in what I have said in connexion with this matter.

Mr. MAUGER.—But, on the basis of those figures, the honorable and learned member has said that Victorian industries are infinitely prosperous.

Mr. FULLER.—I never used that expression.

Mr. MAUGER.—Well, exceedingly prosperous, or very prosperous.

Mr. FULLER.—I deny that I have used any such expression. What I have said is that, judging by these returns, Victorian

manufacturers have no reason to be dissatisfied with the results of the application of a uniform Tariff to Australia.

Mr. MAUGER.—That is the same thing in other words.

Mr. FULLER.—The honorable member may say so if he pleases, but I object to his putting into my mouth words which I did not use. I take another industry, that of the manufacture of hats and caps. The increase in the value of the exports of this industry in 1903 as compared with 1899 amounts to £31,667, and in 1904 the increase on the figures for 1903 is £4,260. In hats and caps other than felt, I find that the increase in 1903 as compared with the figures for 1899 is £30,541; and the increase in 1904 over 1903 is £3,781. These figures show that this industry in Victoria has not been ruined, or is not in a state of stagnation, as the result of the operation of the uniform Tariff.

Mr. MAUGER.—They prove nothing to the contrary.

Mr. FULLER.—The figures prove that the exports of Victorian manufactures have very largely increased.

Mr. MAUGER.—They do not prove that the imports into Victoria have not also increased.

Mr. FULLER.—I have made no reference to that aspect of the question. When I sit down the honorable member for Melbourne Ports can have the use of these tables, which are the property of honorable members, and he can make what reference he pleases to the figures dealing with oversea imports into Victoria, if he thinks that any such references will affect the position I have been endeavouring to put to the Committee. I take another industry, under the heading of "Implements, machinery, &c.," and I find that the increase in 1903 as compared with the figures for 1899 was £76,207, and the figures for 1904 were £83,666. Those figures clearly show that Victorian manufacturers engaged in this particular industry have made good use—and I commend them for doing so—of the opportunities given them under Federation to get into the markets of other States of the Commonwealth.

Mr. ISAACS.—What does this go to show?

Mr. FULLER.—That since the establishment of Federation the exports of Victorian manufactures into the other States of the Commonwealth have very largely increased.

Mr. ISAACS.—I think the honorable learned member should keep an open mind on the question.

Mr. FULLER.—I have an open mind on the question, but it is surely the interests of everybody that they should know the actual figures which are upon the matter. I desire that these figures shall be put before the people of the Commonwealth.

Mr. ISAACS.—The honorable and learned member desires that the verdict shall be given before all the evidence has been heard.

Mr. FULLER.—I desire nothing of the sort.

Mr. MAUGER.—We want a verdict.

Mr. FULLER.—Honorable member, I will, so far as I am concerned, give a verdict as quickly as it can be given to them. I do not propose to attend any proceedings of the Tariff Commission, but I can assure honorable members that the members of the Commission desire to submit their report as quickly as possible, consistently with a proper inquiry into the important matters submitted to them. The Attorney-General asks me to attend, but I intend to prove by these figures that my opinion is correct. I can make a further statement of evidence which will show that, so far as the industries to which I refer are concerned, they are not in the condition which the newspaper article to which I am referring would have people believe. The present is a very opportune time for the appearance of such an article, and I know that the city of Melbourne is full of country people. This article should not be put before them without any qualification, and it is only right that the facts which I am quoting should be made known so that people may have an opportunity of understanding what is the real state of affairs.

Mr. ISAACS.—That article would be read throughout Victoria, whether the people were gathered together in Melbourne or not.

Mr. FULLER.—Unfortunately it is not I think it is not in the interests of the Commonwealth that it should be read without contradiction. In 1904 compared with 1899, there was an increase of £76,207 in the value of agricultural implements and machinery exported from Victoria to the other States, whilst in 1904 the increase amounted to £83,666. Piece-goods and

showed an increase of £42,222 in 1904. I wish to draw attention to further statistics which have been compiled by the Government of Victoria, and published in the "Returns of the State for 1904." These figures summarize the manufacturing returns of the State for 1904. They show that the number of factories in that year was 4,208, an increase of fifty-seven over the previous year. The number of hands employed was 55,485 males, an increase of 1,120; and 3,492 females, an increase of 1,938. The wages paid to these operatives amounted to £4,794,365, an increase over the previous year of £220,570. The value of machinery, plant, land, and buildings occupied for manufacturing purposes was £13,668,185, as against £9,788,841 in the previous year. It is pointed out that comparisons with years prior to 1903 cannot be made on account of the new classification adopted by the statistician. I have also a statement showing the number of hands employed, and wages paid in a number of the principal manufacturing industries during 1903 and 1904, to which I desire to direct special attention. In the soap and candle industry, to which special reference has been made, 4,485 hands were employed in 1903, and 4,492 in 1904, or an increase of seven hands. The cement industry showed an increase from 115 to 154 hands. The wire and asbestos industry is one of the five mentioned in a long list which shows a decrease, the number of hands employed in 1903 being 683, and in 1904, 678. The glass-bevelling industry shows an increase from 164 to 171 hands. I propose to mention only a few of the principal industries. The agricultural implement industry shows an increase in the number of hands employed from 1,114 in 1903 to 1,496 in 1904, an addition of 382. The engineering, boiler-making, and iron works employed 4,614 hands in 1903, and 4,676 in 1904. The number of men employed in the sheet-iron and tin industry increased from 788 to 877. The confectionery industry showed an increase from 1,276 to 1,338; the woollen mills, an increase from 1,138 to 1,231; the hat and boot industry, an increase from 1,129 to 1,202; and the boot and shoe industry, an increase from 5,267 to 5,655. In the rest of this list, only five industries, namely, brush and broom, cabinet-making, billiard tables, jams, pickles and

sauce, wire, and glass and asbestos show a decrease. The most striking increase is exhibited by the agricultural implement industry, in which there was an increase of 382 in the number of hands employed, and of £51,438 in the wages paid. Honorable members must draw their own conclusions from these figures, which I take this opportunity of placing before them and the country, in order that some conception may be formed of the condition of Victorian industries. There is one other matter to which I desire to refer, namely, the question of increasing our population. No doubt, one of the greatest necessities of Australia at the present time is population. Want of population is a very serious matter in many ways, more particularly in connexion with our necessities for defence. We occupy a country of great extent, having a coast-line extending over 8,000 miles, whilst our population amounts to only 4,000,000. Judging from recent developments in connexion with the various nations of the world, it is clear that the first thing we should do is to look to the defence of the great heritage upon which we have entered. It will be of no use for us to make laws for the establishment of a White Australia and other purposes if we are not in a position to retain this land for ourselves, and to see that such laws are properly enforced. In this connexion, we should all hail with delight the introduction amongst us of the proper class of settlers from the mother country, to which we owe the position we occupy at the present time, and to which we are indebted for our safety from attack. Unfortunately, however, our Immigration Restriction Act has been administered in such a way that a serious stigma now attaches to the Commonwealth, so far as the people of Great Britain are concerned. Recently, a case arose in connexion with a groom who came out here in charge of some horses, and who was informed by the shipping company that he could not land. He was, however, provided with a certificate from the Acting Agent-General of New South Wales, Mr. Coghlan. Upon this matter being made public in the newspapers, the deputy-leader of the Opposition asked the Prime Minister whether the facts were as reported in the press. In reply, the Prime Minister said—

The report is likely to be correct, because one of the first communications which I received upon entering upon the administration of the Department



of External Affairs last month was a letter from the Acting Agent-General for New South Wales, asking for authority to issue that permit. He was at once informed, by my direction, that no certificate of the kind was necessary.

Later on, the honorable and learned member for Wannon asked the honorable and learned gentleman—

Whether he is correctly reported by the press to have said upon Friday last that Britishers coming to Australia under contract do not require exemption certificates.

In reply, the Prime Minister said—

I did not say that they do not require exemption certificates.

It will thus be seen that the Prime Minister denied the statement which he had previously made in answer to a question put by the deputy-leader of the Opposition. The honorable and learned member for Wannon then interjected—

The honorable and learned gentleman is reported to have made that statement.

In reply, the Prime Minister said—

What I was alluding to was this: that exemption certificates are not generally used in connexion with British subjects.

Mr. DEAKIN.—That is to say, exemption certificates are not used in connexion with the contract provision at all, and when the Agents-General were asked to issue those certificates, they were informed that it was not intended they should be issued in the case of British subjects.

Mr. FULLER.—In the first instance the Prime Minister affirmed that exemption certificates were not necessary, then he denied that he had made the statement, and finally he admitted that they were necessary but were not generally used.

Mr. DEAKIN.—Only by a very technical legal interpretation can it be urged that the groom to whom the honorable member has referred was under contract to perform manual labour in Australia.

Mr. FULLER.—I would point out that this embargo is not necessary.

Mr. DEAKIN.—It is the exemption certificates which are not necessary.

Mr. FULLER.—Those certificates constitute an unnecessary embargo, and consequently should be at once dispensed with. We should extend to persons coming from the old country the fullest opportunity to become part of our population. I am glad to notice that the leader of the Labour Party has definitely declared himself in favour of amending the contract in the Immigration Restriction

Act. I also learn by this morning's papers that the honorable and member for West Sydney has made the following statement in regard to the provision:—

I have no personal objection to an Act confining the operation of the provisions where it is intended to meet instances where it is intended to meet of persons brought here during a strike of the places of other workers. In some of the Department has administered the Act and against the intention of the framers of the measure.

I think that the people of Australia to a man would hail with delight the removal of the restriction to which it is indeed a good sign that the of the Labour Party and one of his lieutenants are in favour of amending the restrictive section of the Act so as to be similar cases to that which I have mentioned. It is only fair that we should extend to the people of Great Britain from whom we have sprung, every opportunity to the freest intercourse with us. I am sure that none of us desire that in time of industrial disputes, men shall be permitted to land here under contract, and to receive less wages than those which are paid to the Commonwealth.

Sir JOHN FORREST.—Are not such cases illegal?

Mr. FULLER.—They are supposed to be illegal, but we know that they are not. Everybody will welcome the amendment of the Immigration Restriction Act in the direction that I have indicated, so that workmen from Great Britain and other parts of the Empire may be allowed to enter Australia with freedom. Now, the honorable member for Bland, and the honorable and learned member for Sydney have spoken in regard to the matter, it seems to me that the Prime Minister—who is dependent on their support for his position on the Treasury bench—must take action.

Sir JOHN FORREST.—Do not put it that way.

Mr. FULLER.—I will put it in that way. In view of the Treasurer's evasions regarding caucus rule and the Government which—as a member of a previous administration—he had to submit to the censure of the Labour Party, I am sure that he should have joined a Government which owes its very existence to the support of the men whom he so strongly denounced. I should have imagined that both he and the Prime Minister—



their statements, both here and elsewhere—would have been the last to accept under such conditions. But now the honorable member for Bland and the honorable and learned member for Sydney have given the Prime Minister permission to amend the Immigration Restriction Act in the direction indicated, I am sure that he will seize the opportunity to remove a stigma from our statute-book.

Mr. MAUGER (Melbourne Ports).—I do not detain the Committee very long, but for the remarks of the honorable member for Illawarra, I should have spoken at all. However, seeing he has thought it wise to enter on a subject of the Tariff Commission, I feel obliged to say a few words.

Mr. FULLER.—The way in which the Commission has been attacked is disgraceful.

Mr. MAUGER.—It seems to me that the honorable and learned member has made the mistake of showing plainly—though the inquiry is incomplete—that he has arrived at the conclusion that Victorian industries are not suffering in any way. In this connexion he has cited such industries as the manufacture of boots and shoes, and cartridges, apparel, blankets and tents, and hats and caps. It is a very remarkable circumstance that his selection is limited to the very industries which require a reasonable measure of protection. In the request was made that a Commission should be appointed to investigate the working of the Tariff, it was never intended that the inquiry should extend to the whole of the items which it contains.

Mr. FULLER.—The honorable member has not stated the terms of the Commission?

Mr. MAUGER.—I say that when the Commission was asked for, it was never contemplated that it should investigate the working of the Tariff in regard to the whole of the items which it contains. The honorable and learned member will recollect—he can see it in *Hansard*—that, time after time, I urged that if the Commission were set up into the effect of the Tariff on the whole of the items which it embraces, years would elapse before we could hope to obtain a complete report. I pointed out that the Tucker Commission and the Mirams Commission each occupied three or four years in dealing with the Victorian Tariff.

Mr. FULLER.—Did the honorable member object to the terms of this Commission as issued?

Mr. MAUGER.—Most decidedly I did, and I urged on the Treasurer and the Minister of Defence, who were sitting at the table when I was speaking, that if Parliament had to wait for a report until the whole Tariff had been inquired into, disaster must result to several industries. We knew that, while from our point of view even apparel and slops were not sufficiently protected, they were better protected than the industries affected by the 12½ per cent. duty on machinery and manufactures of metals, and it was regarding the effect of the Tariff on the trades which we knew were in a bad way, and likely to be strangled, that we wished inquiries to be made. While I admit that the Inter-State trade of Victoria has grown, it is a remarkable thing that last year the value of boots and shoes imported into the Commonwealth was £446,000, and the value of hats so imported £338,000. Yet the honorable member for Denison said last night that the importations had practically ceased, as the result of the Tariff. If that be so, I would like to know what he would call an increase. The Tariff Commission has been blamed, not for the work which it is doing, but because it has not taken into consideration first the industries which are suffering most, and reported on them before dealing with matters of less urgency. It was appointed for that purpose. A general inquiry was not asked for, nor was the Commission appointed to make such an inquiry.

Mr. FULLER. — The honorable member should read the terms of the Commission.

Mr. MAUGER.—I had nothing to do with the framing of the terms of the instrument, though I had a great deal to do with the appointment of the Commission.

Mr. FULLER.—Must not the Commissioners act on the terms of the Commission?

Mr. MAUGER.—They should have been guided by the views expressed in the debates in this House.

Mr. SYDNEY SMITH.—By the protectionists?

Mr. MAUGER.—It was urged, first by me, and then by the honorable and learned member for Indi, that a number of industries—notably those connected with the iron trade, several branches of the woollen trade, and the distilling industry—were suffering acutely as the result of the Tariff. We mentioned a dozen industries which were being strangled, and in regard to which we wished the Reid Government to have an investigation made.

Mr. FULLER.—The effect of the Tariff on the distilling industry has been inquired into.

Mr. MAUGER.—But the effect of the Tariff on the iron industry—which is infinitely more important, since it employs men rather than women, and is capable of affording work to thousands more than are now employed—has hardly been touched.

Mr. FULLER.—I object to it being said against me that I, as a member of the Commission, have acted in bad faith in respect to these trades; but that is what is said in the *Age*.

Mr. MAUGER.—I am not responsible for the statement to which the honorable and learned member refers; but there is a strong feeling among the artisans and people of Victoria that they are not being fairly dealt with.

Mr. FULLER.—I am not responsible for that. I have specially asked the Prime Minister to get a report from the Chairman.

Mr. MAUGER.—Men connected with the engineering and iron trades are now out in the streets looking for work. Victoria was essentially the manufacturing State of the union, and had most to lose by the reduction of duties.

Mr. JOSEPH COOK.—Things are very bad all over Australia.

Mr. MAUGER.—They will continue to be bad until we have something like adequate protection for our industries, and put an end to these enormous importations.

Mr. JOSEPH COOK.—What we require is stable government.

Mr. MAUGER.—Honorable members speak of people leaving the country; but the best way to attract population is to enable our people to manufacture the millions of pounds' worth of goods which are now imported. If we find employment for those who are here, we shall soon attract others. I am aware that the Tariff Commission has done an immense amount of work; but their manner of procedure is not what it should have been, so that the outlook is now anything but encouraging, and the feeling of the community, so far as I know it, is expressed in the article which the honorable and learned member for Illawarra has read. He spoke about the importation of arms and cartridges from Victoria to other States; but he must know that these arms and cartridges are manufactured in a semi-Government institution—an establishment with which, first, the

State Government, and now the Federal Government, have had large contracts. These contracts have been increased to provide supplies for the other States; that fact is no evidence of a general increase of trade to the other States.

Mr. FULLER.—I said that I would ask the honorable member a present of the Tariff Commission.

Mr. MAUGER.—Unless it can be shown that the Victorian manufacturers of boots and shoes have not only increased their Inter-State trade, but have not lost their State or home trade, there is no force in the argument that they are not suffering under the Tariff. I admit that the Victorian State trade has increased immensely for that increase of business the Victorian manufacturers would have had to contend with.

Mr. G. B. EDWARDS.—In boots and shoes the home trade has also increased.

Mr. MAUGER.—The honorable and learned member for Illawarra, taking the Victorian statistics, said that the number of men employed now showed an increase over last year. But that year was a very bad one, practically the worst we have had in our commercial life. What we must regard to is the number of men now employed, and the volume of importations. If half of the goods which are now imported were manufactured locally, it would largely decrease the number of people out of work. The honorable and learned member referred to the making of blankets and flannels; but the value of the importations of woollen piece goods has increased by thousands of pounds, and not one wool factory is paying anything like reasonable interest. As a matter of fact, the importations into Victoria, and into Australia, have increased. Does the Treasurer anticipate a falling off in the revenue from duties on apparel and attire? If the duties on manufacture were increasing the Treasurer would not anticipate more revenue from those items in 1905-6, both for Victoria and for New South Wales, than was obtained in 1902-3. His estimate shows that he does not anticipate that the importations will decrease. That is a plain indication that the Tariff is not effective. The importations are likely to increase, and the number of unemployed will increase correspondingly. I sincerely hope that the honorable member for Illawarra will do his best to secure an immediate inquiry into

tion of those industries that have been seriously affected, and will lend his aid to have a progress report submitted to Parliament at the earliest moment. I am going to blame him. But I do say complaints as to the condition of the trade come not only from Victoria, but from South Australia, and his own. I feel confident that he will be giving a splendid service to this country if he uses his best efforts to secure an early full inquiry into the condition of that trade especially. I quite agree with my honorable friend, that if the inquiry is to be complete, every State must be visited. The Commission visit every State half-dozen times if it thinks it necessary to do so. But let the inquiry be first concluded as to the principal industries that are suffering; and whilst Parliament is considering the report, the Commission can continue its work. Before I sit down, I wish to make one or two remarks as to some observations which have been made from the honorable member for Hunter. I have launched a tirade of criticism—I will say abuse—as to the physical condition of the occupants of the back-blocks of this country.

Mr. JOSEPH COOK.—Some of them.

Mr. MAUGER.—The honorable member said, if I remember rightly—he will correct me if I am mistaken—that there has been a general physical deterioration.

Mr. KENNEDY.—He said they were a race of degenerates.

Mr. MAUGER.—He attributed the deterioration to the mixing of races. I think that is right.

Mr. LIDDELL.—No, it is not.

Mr. MAUGER.—Well, he spoke of it being the result of inter-marriage, and that is pretty much the same. I shall leave it to the honorable member for Moira to denounce the country residents of Victoria from the charge of physical deterioration. The point to which I particularly wish to allude is that which the honorable member made about what he called the factory towns, in which he said the workers were living the life crushed out of them.

Mr. LIDDELL.—So they are.

Mr. MAUGER.—Where are these towns? Has the honorable member ever visited a Victorian factory? Has he been inside a single one of them? He could not have made such a statement had he visited any one of the boot, clothing, or hat factories of this

State. I shall have much pleasure in taking him round to look at them if he will accompany me. I assure the honorable member that he makes the greatest possible mistake if he imagines that there is any sign of deterioration as a consequence of our factory life in Victoria.

Mr. KELLY.—I think we ought to have a quorum present. [*Quorum formed.*]

Mr. MAUGER.—I maintain that for ventilation and cleanliness, and for general healthiness of environment, due largely to the operation of the present splendid Factories Act of this State, there is not a factory to which the slightest objection can be taken. I am sure that the young men and women in our factories will, either from the physical or mental point of view, bear comparison with similar workers in any part of the world.

Mr. PAGE.—The honorable member did not allude to the Victorian people, but to the bush-whackers.

Mr. MAUGER.—He first made a tirade against the back-blockers, and then said there was a number of boys and girls who were suffering deterioration physically, and were being contaminated by the evil surroundings of factory life.

Mr. PAGE.—He was speaking of the streets of Sydney.

Mr. MAUGER.—He did not say a word about Sydney; though New South Wales has been free-trade for so long that perhaps signs of deterioration may be apparent there. I am talking of the Victorian factories system, of which I know something, and I say that it is a credit to the factory-owners, to our legislation, and to the people employed. If the number of our factories were vastly extended, and we manufactured the whole of the goods that are at present imported, it would be far better for Australia in every way. In conclusion, I say again that I sincerely hope that my honorable friend the member for Illawarra will lend his influence to obtain a report from the Tariff Commission as speedily as possible, because the need is urgent and great.

Mr. HARPER (Mernda).—I propose to say a few words, not so much with regard to the Budget submitted by the Treasurer, as concerning a few general questions connected with the finances of the Commonwealth in which I have taken an interest. Before doing so, I should like to bear out what has been said by my honorable friend who has just

spoken about the factories in Victoria. There can be no question about it, so far as my knowledge goes—and I claim that it is considerable—that, speaking generally, the factories of Victoria are second to none anywhere in respect of sanitary and other arrangements. It is a remarkable thing, and within my own knowledge, that young men and women coming into these factories, after a few months, show a marked improvement in health and general condition. Only those who are ignorant of such facts would doubt this. To come to the matters with which I desire to deal, I propose to refer to the difficulties that have arisen in respect to the financial sections of the Constitution. On looking back to the history of the Conventions which formulated our Constitution, I think there can be no doubt that, notwithstanding the great ability shown in drafting its main features, there was an exception in connexion with the financial clauses. Many critics at the time felt profoundly dissatisfied with the manner in which the financial arrangements necessary under the Constitution were settled. The reason why the settlement was unsatisfactory was that the problem with which the Convention had to deal was a difficult and complicated one, and the data upon which its members could form opinions as to the future requirements of the Commonwealth was of so varied and inconclusive a character that it was almost impossible for the Convention to deal satisfactorily with this part of the Federal arrangement. It was unfortunate that it was so, because there can be no question that those who strongly advocated the Federation of the States looked primarily to seeing that savings were made in the cost of government. They looked forward to an amalgamation of the debts so as to enable the borrowers—that is the States—to have the rate of interest on their loans reduced as speedily as possible by acting in concert with and through the Commonwealth. These anticipations formed no inconsiderable portion of the inducement to the States to give up their individuality, to become one great Commonwealth, and intrust their fortunes to a central Parliament. When we, who were elected to deal with these questions, come to face the position, it is found that nearly all the arrangements which were made to enable satisfactory conclusions to be reached have created difficulties which up to the pre-

*Mr. Harper.*

sent time no one has been able to. We know that at the Conferences of Ministers, held this year and last, the question was threshed out at very length; but I apprehend that we are much nearer a settlement than we were before those meetings took place. I read with some care the debates on the question of the States debts at the Conference. What struck me most was the fact that, apparently, the State Ministers and Treasurers had scarcely grasped the nature of the problem they had to deal with. They went to the Conference with the full conviction that it was their duty, above everything, to protect themselves against the Commonwealth, and against supposed inroads which it was likely to make on their revenues. It is most fortunate that this feeling of jealous antagonism should be exhibited by occupying leading positions in the States. We ought to remember that, although in our wisdom, or as some people may consider our un-wisdom, we determined to form the Commonwealth, whether sitting in the Parliament of the Commonwealth or in that of a State, all servants of the public of Australia whose interests they represent jointly and severally. That idea seems to be lost of on many occasions when these questions are discussed. The people decide on certain clear and well-defined duties which are cast upon the Commonwealth. Some duties were removed from the States and vested in the Commonwealth alone. The residuum of obligations, duties, and privileges enjoyed by the States were still in their hands without possibility of interference by the Commonwealth. The duty of Governments and Parliaments of the States was to fully protect the interests of their people. The obligation resting upon them was no greater than is that of the members of this Parliament, to carefully protect and maintain the interests which were given in trust to us. If that idea be allowed to fall out of the minds of those who seek to approach the financial questions, with regard to the interests of the Commonwealth and the States are so closely bound up—if that of separate responsibility be not lost sight of—I apprehend that we should be much more likely to reach a reasonable solution of the knotty problems involved. I think I ought, in passing, to allude to the unfortunate habit which some members of the States Parliaments

ments—and, I am sorry to say, even members of this House—indulge in continually rating the Commonwealth Government and Parliament for great extravagance. As the right honorable member for Balacava has so often pointed out, Parliament cannot be accused of any like extravagance—in fact, its course is marked rather by penuriousness and too much liberality. We find that in the States whose revenues have increased, notably Tasmania and Queensland, public men have attributed their misfortune, as they consider them, entirely to Federation. In nearly every case, these men have been absolutely without opinion. This Parliament, as representing the people of Australia, has thought fit to impose certain duties, and to repeal others, as, for instance, the duties on tea and opium.

CAMERON.—What about sugar?

HARPER.—I am not dealing with

CAMERON.—The honorable member must as well deal with it first as last.

HARPER.—If the honorable member only had patience to listen to my argument, he would have found that I did not bring in the question of the duty on sugar, for the simple reason that I am not dealing with duties which were taken off, but with duties which have been put on.

CAMERON.—The remission of Customs duties and the sugar bonus have increased the revenue of Tasmania.

HARPER.—Tasmania had, I think, a heavier duty on tea than any of the States. This Parliament removed the duty, and, consequently, the revenue of the State suffered to that extent; but of course its people have not had to pay the duty. That is a form of objection to the Federation and its Government which, I think, is almost childish in its futility, because it can be easily shown that it was possible to make a Tariff which would be very State alike, and some States might be able to get the effects of its operation more than others.

CAMERON.—The duty on tea was increased by one vote.

HARPER.—As my honorable member is very insistent about the wrongs of Tasmania, I shall give him a Tasmanian example, to show the want of justification for the duty, at least, of these charges against

the Commonwealth. At the Hobart Conference Mr. Evans, the Premier of Tasmania, made the following remarks:—

Sir George Turner said wild statements have been made as regards extravagant expenditure. I will name a few items of extravagant and wasteful expenditure. Take, for instance, the first expenditure on transferred Departments; I am of opinion there has been extravagance displayed there. In Tasmania alone it has increased since Federation to something like £72,000.

Sir GEORGE TURNER.—Your own estimates were £140,000, and we expended less than £134,000.

Mr. EVANS.—That £134,000 was not on the transferred Departments.

Sir GEORGE TURNER.—Yes it was.

Mr. EVANS.—It does not matter very much whether it was the Commonwealth or the State Parliaments that increased the expenditure—it was owing to Federation.

The Treasurer of Tasmania, Mr. Stewart, when speaking on the same subject, said—

The expenditure on the transferred Departments has largely increased, but it must, in justice to the Federal Treasurer, be pointed out that £22,000 was added to the expenditure of this State by one of my predecessors in office prior to the Departments being transferred, for which the Federal Parliament were in no way responsible. By some process of reasoning, which I am unable to understand, my predecessor seemed to think that a fund existed out of which this additional outlay could be met without affecting the revenue of this State, whereas a little reflection should have convinced him that it would simply be deducted out of the surplus returnable to Tasmania.

A good many people connected with other States Parliaments and Governments made the same mistake—"hence these tears." Those gentlemen omitted to point out that they, in many cases, had themselves created the so-called extravagance with which they charge the Commonwealth, by increasing their expenditure prior to Federation, in the full expectation that the Commonwealth would take the whole burden on its own shoulders.

Mr. McWILLIAMS.—The honorable member is quite wrong in that.

Mr. HARPER.—I may be wrong, of course, but I am quoting an official report.

Mr. PAGE.—The honorable member for Mernda is quite right, though Tasmanian representatives will not admit the fact.

Sir JOHN FORREST.—What about building the big post-office in Hobart?

Mr. McWILLIAMS.—The Treasurer of Queensland has made a worse statement than that of the Premier of Tasmania.

Mr. HARPER.—The Premier of Tasmania the other day broke out again with

an equally extravagant, or even more extravagant, statement, and a member of the Queensland Ministry, who ought to have known better, also made some extraordinary remarks.

Mr. MAHON.—He ought to be locked up.

Mr. HARPER.—I would not go so far as to suggest that. I merely point out that it is high time members of the Federal Parliament, and no less members of the States Parliaments, recognised that we are all working, or are supposed to be working, for one common interest, namely, the interest of the general body of the taxpayers of Australia.

Mr. McWILLIAMS.—Will the honorable member show how much Tasmania has lost by the sugar bonus? It would be only fair to do so.

Mr. HARPER.—I did not come here to talk about sugar. My desire is to deal mainly with the States debts, the Braddon section, and the bookkeeping period, and I do not intend to be drawn off to the discussion of other matters with which I am, perhaps, not acquainted. While I do profess to know something of the matters with which I propose to deal, I am not familiar with the ramifications of the Tasmanian sugar business, and shall not attempt to throw any light upon the subject. Under the Constitution, accurate accounts have to be kept of Inter-State trade for five years after the institution of a uniform Tariff, so that each State may obtain the duties from the commodities it consumes irrespective of the place in which the duties are paid. This bookkeeping system, which, I suppose, was inevitable at the time it was adopted, was confessedly one which did not commend itself even to the Federal Convention. It was then pointed out that Federation would never be absolutely complete until we arrived at the point when the revenues collected would be paid back to the States *per capita*. At that time it was said to be quite impossible to have the *per capita* arrangement, because of the position of several of the States. This was notably so in the case of Western Australia, whose inhabitants were almost entirely adult men, who consumed largely both stimulants and narcotics, and also other kinds of goods, and the duties, therefore, were enormously greater *per capita* than were those of any other State. Another difficulty was that, for some reason or other, which I did not understand then, and which

I do not understand now, the duties on the people of Tasmania, and also on the people of Australia, were very much smaller amount than those paid in the three eastern States. The bookkeeping period—while it may have been inevitable at the beginning—expires in 1906, and that before October next year this arrangement will be in a position to make an arrangement by which this system may cease, and we shall have a *per capita* contribution, not necessarily a uniform *per capita* in all the States, but on a fair and equitable basis, according to the contributions of the different States shown by the official returns for two or three years of the bookkeeping period. I would suggest that the promise might be so arranged that the difference of payment in some of the States would gradually taper off, like the Tariff for Western Australia, and become inoperative in five or ten years' time. According to the statistics for last year furnished by the Treasurer, the amount contributed by the people of New South Wales, and Queensland contributed to the Commonwealth by way of Customs and Excise duties was £2 os. 10d., £2 os. 2d., and £1 16s. 9d. respectively per head of the population. Those contributed by Tasmania and Western Australia were £1 16s. 9d. and £2d. per head, and the amount contributed by the people of Western Australia exclusive of the special Tariff of the gold was £4 per head of the population at the establishment of Federation. I think that the *per capita* contribution of Western Australia was something like 16s. per head. As time passes, the condition of affairs in Western Australia will approximate to that of the other States. As the population increases the number of families will increase, and eight years hence its contribution *per capita* probably not differ very materially from that of the other States. In the circumstances, I do not think that we require the exercise of great wisdom to enable this Parliament to arrive at an arrangement that would be fair to the States individually, and to the Commonwealth, and at the same time would give absolute freedom to the Inter-State exchanges are concerned.

Mr. FISHER.—Would the honorable member differentiate as to the *per capita* turns?

HARPER.—It would be possible; it would be simply a matter of time. If we find, as I have said, the States contribute to the revenue of Customs and Excise duties ranging between £2 and £2 2s. of the population, that two others from £1 15s. to £1 17s. per head and the remaining one £4 per head, arrive at a fair compromise.

JOHN FORREST.—Would the honor-  
member have no Inter-State adjust-

HARPER.—I would not.

JOHN FORREST.—That is all that  
be saved.

HARPER.—Quite so, but the sav-  
ing would be a very important one. The  
shipping and entry passing which the  
system involves upon the public is  
enormous.

MCWILLIAMS.—Hear, hear.

HARPER.—I think that the Tas-  
manians are the greatest sufferers by the  
system.

JOHN FORREST.—I believe that an  
arrangement has been made by Victoria  
and New South Wales which does away  
with the difficulty.

HARPER.—They have made a  
give-and-take arrangement.

JOHN FORREST.—That might be done  
by other States.

HARPER.—I think it would be  
to give them the money they con-  
tribute on a fair basis. I am a Federa-  
list and am looking to the day when  
we will arrive at a perfect oneness—when  
there will be an end to the present diffi-  
culty and the necessity to make give-and-  
take arrangements will no longer exist.  
We ought to seek to achieve this object  
as we reasonably can with justice.  
The States—I always postulate that we  
ought to be justly to the States, as well as  
the Commonwealth—and until we do we  
can never be truly federated.

FISHER.—There is a difference of  
£100 in the case of Queensland.

HARPER.—This is, after all, a  
matter of accountancy, and a smart  
man would adjust it in a very short  
time. The difficulty in the way of making  
an arrangement as I have suggested,  
from the inception of Federation, arose from  
the fact that we had no proper data to go  
by. We now have complete returns, show-  
ing that each State has actually contri-  
buted during the last two years; and, on

30th June next, a return for a further  
period of twelve months will be available.  
It seems to me that it will be quite pos-  
sible, after three years' experience of the  
contributions which the different States  
make to the revenue by way of Customs and  
Excise duties, to arrive at a simple scheme  
which would substantially give to the States  
that to which they were entitled, and by  
gradually tapering off over a series of years  
would place them all on a common *per*  
*capita* basis. Only then will our Federation  
be complete. I do not propose to waste the  
time of the Committee by reciting the ad-  
vantages that would accrue to Australia  
from the assumption by the Common-  
wealth of the States debts. The difficulty  
is to determine how that task shall be accom-  
plished. We know that it is desirable, but  
the question is how best to do it. To my  
mind, the matter has been materially com-  
plicated by the fact that at the Hobart  
Conference, the States Premiers, in their  
anxiety to make secure the position of the  
finances of the States, insisted on imposing,  
as a condition to their doing anything to  
settle the transfer of debts question, the  
continuation of the operation of the  
Braddon section. In reading the report of  
the debate which took place, one cannot  
help feeling that there was something almost  
pathetic in the manner in which the right  
honorable member for Balaclava, then Treas-  
urer of the Commonwealth, pleaded for  
the acceptance of the scheme that he had  
propounded—in a very able paper, which  
most honorable members have doubtless  
read—without the imposition of that con-  
dition. One can see, from a perusal of  
the report, that the right honorable mem-  
ber, who had an absolute conception of  
what he conceived to be right and necessary  
in the interests of the Commonwealth, was,  
in his ill-health and weakness, over-  
borne by the representatives of the States,  
who insisted that the Braddon section  
should be continued indefinitely. I say,  
advisedly, that it would, in my opinion, be  
an enormous misfortune for Australia if the  
Parliament were to agree to extend the  
operation of that provision of the Consti-  
tution. I think it is very doubtful that  
it will do so; but the mere fact that the  
proposition secured the imprimatur of  
such a representative body as a Con-  
ference of State Premiers, with the re-  
presentatives of the Federal Government,  
would in itself have been a misfortune. The  
continuation of the Braddon section would



cripple, to a very serious extent, the usefulness of the Federation. It would possibly have a most detrimental effect on the future of Australia.

Mr. CHANTER.—It would hobble the Commonwealth.

Mr. HARPER.—That is so. What would it mean? The great spending departments have been transferred to the Commonwealth. I refer to the departments by which money has to be expended, and from which little or no revenue is derived, notably the Defence Department, and, to some extent, the Post and Telegraph Department. Honorable members will find that, with the exception of the Customs Department, the departments which must be charged with the carrying out of almost all the powers set forth in what are known as the "thirty-nine articles" of the Constitution are spending departments, whose requirements must increase as the Commonwealth develops. If we take, for instance, the Defence Department, the receipt of a telegram, which we might get any day, concerning European complications might involve a very large Commonwealth expenditure, to be immediately undertaken in the interests, not of any one State, but of the whole of Australia. That, in such circumstances, the Government should be hobbled by an arrangement of this sort, and compelled to raise, by some direct form of taxation, a large sum of money at short notice, would certainly not be a desirable position for it to be placed in. I have spoken of the spending departments, but when we come to consider the revenue-earning department which has been passed over to us, and of which we have exclusive control, it will be found that the revenue to be derived from it is perhaps the most fluctuating of any. I refer to the Customs Department. Honorable members are aware that in the States during lean years we have seen the Customs revenue drop as much as 40 or 50 per cent.

Mr. FISHER.—As much as that?

Mr. HARPER.—Yes; in Victoria, on one occasion, the revenue from the Customs dropped nearly 50 per cent., and, instead of the State Treasurer having sufficient money to carry on the administration of affairs, he found himself faced with an enormous deficit.

Mr. KENNEDY.—About £1,000,000.

Mr. HARPER.—I think it amounted to about that. The honorable member for Moira and I had to face such difficulties in the State Parliament of Victoria.

The Federal Parliament is the body vested with exclusive control of the most fluctuating form of revenue. When I point out that, on the one hand, we have charge of all the departments which may be called spending departments, and whose obligations to the Commonwealth will continually increase, and on the other that the revenue department is the one most subject to change, I need say nothing more as to the inadvisability of tying the hands of the Federal Parliament in the way suggested.

Mr. MAUGER.—It was only proposed as a temporary expedient at first.

Mr. HARPER.—It was. Now let us look at the position of the States. It is all human, and it is quite natural that the States Treasurers should say, "We wish to run short of money to meet our State obligations." I think they are entitled to look after the interests of their States; but while they do so, they must remember that, as the Commonwealth Government have taken over many of the services which they have heretofore carried on, and for which they have heretofore to pay out of their States revenues, they must reduce their expenditure in accordance with the saving made. It is precisely the duty that I think my friends in the States Parliaments have recognised. Public opinion at the beginning of Federation was on the right track when it was said, "You have taken over a Federation, the Federal Government take over many of the services and the duties which the States have heretofore carried on and paid for, and we therefore expect you to make trenchant reductions in your State expenditure." Bowing to the mandate, some of the States did reduce their expenditure, but only to a strictly limited extent. They began by reducing the Governors' salaries, and, in some instances, the number of members of Parliament. It should like an examination to be made as to the extent to which the States Parliaments have effected savings in other directions. I think, they should be made aware of the consequence of the services which the Federal authorities have assumed, and of which the States have not to pay. I agree that the States Parliaments are entitled to take care that the Federal Parliament shall not deprive them of their rights, it is their duty, just as it is ours, to remember that whatever money is wasted by the Federal Parliament



ates Parliaments, is equally money comes out of the pockets of the tax- and that the obligation to see that onomy is exercised is mutual. When representatives of the States Government at the recent Conference in , it seemed to me that they were ed by a somewhat hostile feeling to the Federal Parliament. Indeed, I t was rather improper that before et the representatives of the Federal ment they should themselves have solemn conclave, and, before hear- e other side, have arrived at certain ions, which were drawn up and pre- almost as an ultimatum to the l representatives. The States ntatives were full of this an- tic feeling, and several of them "We do not want the odium" k honorable members to mark the "of proposing new taxation. Let deral Parliament take the odium." e words which were actually used, say they do not display a proper l spirit, without which we cannot that any arrangement in con- with these matters will be to. The States representatives remember that the Braddon section continue in operation for only ten and that after the expiration of that in 1911, the Federal revenue will rely in the hands of the Federal ment. They must not forget that, justice must be done by this Legis- o the people of Australia, any settle- which may be proposed must re- ne support and confirmation of this ment.

MAUGER.—It will not be a Hobart ence that will settle them.

HARPER.—I would also say that k our friends of the States Parlia- have been unduly frightened. They ot projected their minds into the sufficiently to realize the new psi- chich will be created by the transfer States debts to the Commonwealth, general arrangement of the finances as n the States and the Commonwealth. alk of being unable to meet their ons. They talk of being placed in position that they will not be able t the interest on their loans. If ates debts are transferred to the nwealth they will not have to meet erest on their loans, and the whole a will be changed. I think that

gentlemen who have dealt with the matter from the stand-point of the States have not considered that fact sufficiently. If the Commonwealth takes over the debts of the States and pays the interest on those debts the States Governments will unquestionably be in a better position than they are in now, because the obligation which presses upon them as a debt which must be met will be removed from their shoulders. A good deal of the difficulty which has arisen in connexion with the public finances of the States is due to a cause to which I drew attention years ago, when a member of the Legislative Assembly of Victoria. It is this: In all the States the practice has grown up of treating railway income as if it were revenue from Customs, or other ordinary revenue, and looking upon the interest on the railway debt as if it were a public burden similar to the charge for the maintenance of the police, or the expenditure necessary for the carrying on of our educational system. In borrowing money to construct railways, we have done what has not been done in Great Britain, and what has been done in Canada to a limited extent only; but the model upon which we have framed our finance is unquestionably the mode of submitting the public accounts which prevails in Great Britain. In the accounts of Great Britain, there is no item corresponding with our railway item. The nearest approach to it is the receipts and expenditure in connexion with the administration of the Post Office, which appear also in our accounts. In Great Britain practically no great public works are carried on by the Government for the benefit of the people, and consequently the national finance is not swollen on the debit side by interest on loans for railway making, and on the credit side by earnings from the working of the railways. The fact that our finances are so swollen has been a great misfortune to this country, because it has led to the idea abroad, in the minds of those who are not acquainted with our accounts and our system of affairs, that our taxation and expenditure are enormously heavy. But if the figures relating to trading concerns are deducted from our debit and credit accounts, a reasonable basis of comparison with other countries is obtained.

Mr. HENRY WILLIS.—When reference is made to our statistical records, the facts are clear.

Mr. HARPER.—But who makes such reference?

Mr. HENRY WILLIS. — The financiers, about whom we hear so much.

Mr. HARPER.—I am not thinking of them. I am speaking of the opinion of the multitude.

Mr. HENRY WILLIS. — The multitude never hear anything about the matter, except through a financial review.

Mr. HARPER.—I do not propose to discuss that point, and have made these remarks merely by the way. The practice by the States Governments of treating railway income and expenditure as part of the ordinary State revenue has had one peculiar and unfortunate effect. The ordinary working expenses of the railways have to be provided month by month, while the interest on the cost of construction has only to be paid half-yearly. The result is that the proportion of the earnings, which represents the interest charge, gets into the revenue, and may, when a Treasurer is hard pressed, be expended for other purposes. If, therefore, at the end of the financial year, when the interest has to be paid, the Treasurer finds his income short, he has to finance to meet his interest payment, which gives the appearance of being in the position of making default, unless he can procure the money. In my view the income earned by States railways, or other reproductive works, should be earmarked and applied first to the payment of interest on such works, as it is a fixed and inexorable charge, and then wages and other working expenses should be provided by the State out of State finances, and if there is a deficiency in the earnings of the railways to meet their working expenses, that must be met by either reducing expenses, increasing earnings, or by a Government subsidy. On one occasion grave difficulty overtook the Gillies Government from failure to keep money in hand to meet an obligation of this kind. A sum of £600,000 or £700,000 of interest fell due in London on the 1st July, but the Treasurer, in making up his balance-sheet for the financial year ending the 30th June, did not debit himself with that amount. There was nothing illegal in his failure to do so, and he could not be blamed for not doing it. But the collapse of the boom came, and before October he had to break his deposits in the banks to obtain the money with which to carry on, because of

this payment of £600,000 or more he had to meet.

Sir JOHN FORREST.—We used to our interest monthly in Western Australia.

Mr. HARPER.—Was it paid monthly?

Sir JOHN FORREST.—Yes; it was provided for.

Mr. HARPER.—If the money was in reserve that was all right. The trouble of this practice on our accounts is that our finances never get straightened out, and we are always behind, and the community has to see clearly and definitely the loss resulting from the working of the railways, and to discern the fact that the interest charge should be met regularly, as the Treasurer says is done in Western Australia, and the wages and other working expenses weekly or monthly. The idea of allowing the interest bill to accumulate until the day when payment is due, and then having to scuttle about the money to get it together to obtain a loan to carry on, is a very serious matter. I may be asked how it is possible to apply these facts to the present argument. I think the States, for their own sake, should think to provide for the payment of interest as they go along. If they did so, they would very much simplify the problem with which we have to deal. Sir George Turner, in his memorandum upon the question of the Commonwealth taking over the States debts, made it a condition that we should have the right to exercise what would be practically a lien or mortgage on the whole of the revenue derived from the States railways. His idea was right, but I am sorry he is not here, because I have liked to make these remarks in his presence—I do not think that he has grasped the point, because if he had done so, he would have been satisfied with less than he demands. I think that it would be very proper and improper—and I do not think the States would ever consent to it—to take over the gross revenue of the States railways, because we should then become responsible for their management. That is to say, we should have to provide money to carry on the railways—repairs, to pay wages and salaries, and to provide for every contingency. If the States debts were taken over by the Commonwealth, as is proposed, we should propose conditions somewhat upon the lines of those I have not had an opportunity to discuss. I think the matter out, because the great difficulties in the way of a

er dealing with such a complicated  
on, owing to want of access to many  
documents necessary to enable one  
me to a sound conclusion. There-  
what I say to-night is, of course, al-  
subject to correction in the light of  
knowledge or increased information.  
I suppose, for the sake of argument,  
the States debts were taken over on  
ion that the Railways Commissioners  
ny other governing bodies having con-  
ver reproductive works, were required  
y to the Commonwealth Treasurer,  
perhaps, to Commissioners appointed  
e purpose, the interest upon the debts  
ed in order to carry out such works.  
I believe that in order to deal practically  
the conversion of the States debts, it  
is necessary to appoint what may be  
Commonwealth Debts Commissioners,  
will administer the funds placed in  
hands in a variety of ways, which I  
explain later on. If the condition  
imposed that all the interest money  
be paid to the Debts Commis-  
sioners monthly, what would be the effect  
on the States? In the first place, they  
would be brought face to face with their  
obligations in connexion with the railways  
and other works. That is to say, they  
would not wake up to a realization of the  
obligations of the case only at the time when  
a financial statement was prepared, but  
they would know all along what was re-  
quired of them. The States Treasurers  
would not have in their hands the large  
sums which they are now able to mani-  
pulate, but would be able to watch their  
expenditure from the railways and other repro-  
ductive works. If they could not make  
ends meet they could reduce their out-  
lay, or impose increased rates upon the  
railways, or if they were satisfied that fair  
rates were already being charged and fair  
interest were being paid, they could make  
up the deficiency out of the general re-  
venue.

Such a condition of affairs would  
be advantageous from the point of view of  
the States finances, because it would reduce  
the expenditure much more closely to a cash basis.  
It is always wise to adopt this course in  
dealing with the public finances. On the  
other hand, the Federal Government would  
lose the income from these public works  
which is in their hands for the payment of  
interest on the debt, and would need  
other security. All they need is to feel  
secure that they will be able to meet the  
interest charges on the debt. The obliga-

tions of the States would be provided for  
to the satisfaction of the Commonwealth,  
and of the public creditors, in a manner  
that would render it unnecessary to lower  
the status of the States or embarrass them  
in any way. In addition to that, another  
difficulty which has been foreseen would be  
overcome. We cannot possibly expect rising  
States, many of which are only at the be-  
ginning of their career, to come, cap in  
hand, to this Parliament, and ask permis-  
sion to build a railway. If we took up the  
position I have suggested we should say to  
them, "You can build your railway or  
other reproductive work; that is a matter  
for you to consider, but, provided we give  
you the money for that purpose you will  
have to plank down the interest monthly."  
Consequently, the States would be free to  
make railways where and when they liked.  
Of course, I am speaking in general  
terms, but it must be apparent that some  
reasonable limit would have to be fixed.  
Speaking generally, however, if a State  
thought it desirable to build a railway  
which was not expected to return working  
expenses, in addition to the interest on the  
outlay, it would have to face the necessity  
of providing the interest out of its own  
coffers.

Mr. FISHER.—The States have been do-  
ing that all along.

Mr. HARPER.—Of course they have,  
and therefore no hardship would be in-  
volved under my proposal. My object is  
to leave the States, as far as possible, mas-  
ters of their own affairs within their own  
spheres, and, at the same time, to do abso-  
lute justice to the Commonwealth by pro-  
tecting it in regard to its debt obligations.

Mr. HENRY WILLIS.—Does the honor-  
able member think that it would be unsafe  
to allow the interest to accumulate in the  
hands of the States?

Mr. HARPER.—I do not think that it  
would be unsafe, but it would be far more  
prudent for us to stipulate for the payment  
of the interest monthly. Under the in-  
fluence of a pressing demand the States  
Treasurers might use, for some other pur-  
pose, the money which should be devoted  
to the payment of interest. As a matter  
of fact, that is exactly what is done in  
some cases at present. It may be said, "It  
is all right, the money is there"; but very  
often the money is not there, and what I  
am now suggesting must commend itself  
to any practical business man.

Mr. FISHER.—The honorable member conveys the impression that some one has suggested that the liberty of the States to construct railways should be interfered with.

Mr. HARPER.—No, I do not suggest that, but I say that any attempt to limit the borrowing powers of the States would necessarily involve an interference with their liberty to construct railways. Suppose, for instance, New South Wales wanted to build a railway, and came to us and said, "We want you to borrow £5,000,000, because we desire to construct a certain railway." Suppose, further, that we said we would not borrow the money. That would be tantamount to telling the State that it could not construct the railway. That would be the result of the line of action suggested in some quarters, and I do not think the States would be justified in tying themselves up in that way. They must be allowed to exercise their full liberties as sovereign States, and to bear their full share of responsibility. They have certain rights of administration which we should respect. Under the plan I have suggested, the States would know exactly what their obligations were. Their position would be brought home to them at once. This consideration brings me back to the Braddon section, and to the suggestion which was made the other night by the Treasurer of a return to the States of a fixed sum. If the States did as I suggest, it would naturally lead to a re-arrangement of the amount to be returned to them. After we had ascertained their exact position, and after arrangements had been made for taking over their debts, we should be able to say to them, "During the next five years we will return you so much, or so much per head." But before we did that, it is only reasonable that we should satisfy ourselves as to the amount which the States Treasurers actually require to carry on the greatly diminished services which they have to perform. I do not wish to be misunderstood. I do not suggest that there should be any inquisitorial inquiry into the affairs of the States, but, in arriving at an arrangement with them such as I have described, I think that we should be justified in asking them to show, by means of their public documents, the amounts which they had actually been expending prior to Federation upon the various departments which they still retain. For instance, we should be warranted in seeking to ascer-

tain what sums they had been spent on education, the Judiciary, and the Police Department, so that we could determine what were their real requirements. We could then say to them, "These are your reasonable requirements, and we will return you a sufficient sum to cover them, but no more." Of course it is just possible that they may say, "Oh, but this is very inquisitorial." I take it, however, that, as the supreme legislature of Australia, we have a right to say that as far as our influence extends, we will not encourage extravagance on the part of the States or of the Commonwealth. If we arrived at that position, I believe that a reasonable arrangement could be made for the lines which I have suggested would be practicable. Concerning the States themselves, we occupy a very peculiar position. I do not know why the framers of the Constitution, when they authorized this Parliament to take over those debts, limited our power to the debts which were then current.

Sir JOHN FORREST.—Because it was expected that the States would borrow more.

Mr. HARPER. — It is immaterial whether the borrowing is done by the States or by the Commonwealth. If the Commonwealth borrows, it must lend to the States. In my judgment fifty years ago the Commonwealth will be the one to borrow. I cannot understand why the framers of our Constitution limited the power of the Commonwealth to take over of the debts existing at the time the Federation was established. They thought that any debts would subsequently be contracted by or on behalf of the States does not seem to have occurred. When the Federation was established these debts amounted to £203,000,000, and since then the States have borrowed an additional £31,000,000. If we merely took over the debts which existed when the Commonwealth was inaugurated, the other debts would be depreciated to a certain extent. The Commonwealth would not possess the same standing as the Federal stock, and it would be difficult for us to create another class of debts from those already in existence. I quite agree that the Commonwealth should take over the whole of the States' debts, because I believe that by so doing we should be enabled to deal with this important question at a very early date.

1906 loans aggregating £2,221,300 due; in 1907, stocks valued at 7,500 will mature, and in 1908 an annual sum of £7,111,000 will require payment. In other words, loans to the value of about £15,000,000 will mature in the next three years. Consequently there is every reason for facing the question at an early date, instead of taking action in regard to it until the moment. As a matter of fact, the rates in which these loans are converted, and the rates at which they are taken over, have a very important influence on the cost of our financial transactions.

**HENRY WILLIS.**—We cannot take the whole of the States debts without amending the Constitution.

**HARPER.**—My honorable friend says that the transfer to the Commonwealth of the whole of the debts will necessitate an amendment of the Constitution. That is literally true. But provided that we enter into an amicable arrangement with the States on the lines I have suggested, there is a way of overcoming that difficulty without effecting an amendment of the Constitution. Under paragraph xxxvii. of the Constitution, on 51 we are authorized to deal with the debts referred to the Commonwealth Parliament by the Parliaments of the States. As we came to a mutual arrangement with the States; before it was completed it was necessary for each of the States to pass a Bill authorizing the Federal Parliament to take over its indebtedness and its obligations.

**HENRY WILLIS.**—There would have been an alteration of the Constitution to that effect.

**HARPER.**—It might be necessary to amend the Constitution. That would be a complicated process, and if there was a section of the Constitution which would enable the States to fall into such an arrangement as I have sketched it would be infinitely better to follow that course. I am not a lawyer, but it occurred to me that the provision to which I alluded might be taken advantage of to enable the States to hand over those debts that were not in existence at the time of the passing of the Constitution.

**HUTCHISON.**—What does the honorable member suggest with regard to the borrowings?

**HARPER.**—I have alluded to that but will mention it again. If the method which I have suggested is not

practicable we shall have to alter the Constitution. In answer to the honorable member for Hindmarsh, I say that I would make the arrangement applicable to all future loans. That is to say, a State would apply to the Federal Government, giving reasonable notice, for a loan to build a railway, or for some other purpose, and it would then be the duty of the Commonwealth Government to make arrangements to secure the money in due time. Of course, the State would have to undertake that the interest would be forthcoming. This brings me to a point about which the minds of a great many people are exercised. I refer to the question of how to limit borrowing, and at the same time to prevent clashing. Some honorable members, many of the outside public, and a number of newspapers, say that we ought not to borrow at all. But looking at the past history of any country that can be named, I reply that a country can only be developed by the expenditure of capital; and if we are to wait until that capital is derived from revenue, development will be much delayed, for people will say, "Why should we be taxed to make improvements for posterity?" We must borrow money for reproductive works; and so long as it is borrowed for investments which will develop the country, with a fair prospect of yielding interest and working expenses, that is a sound policy to pursue. A hard-and-fast rule of no borrowing, which so many people advocate, is impracticable. My honorable and learned friend, the member for Northern Melbourne, made some allusion to restricting the borrowing of the States to what they could obtain locally, and said that the Commonwealth Government only should borrow outside the limits of Australia. But that would be no real safeguard. It would attain no object. Because, if I were living in London and had £10,000 to invest, and a loan was being floated in Australia, I could go to my banker, who would give me 10s. on every £100, would land the money in Melbourne, invest it in stock on my behalf, and hold it for me. Therefore it is idle to talk about limiting the States Governments to Commonwealth markets. Under my scheme, however, there would be no borrower except the Commonwealth, which would have the right to borrow within a State or beyond, according to the condition of the money

market. If the debts are taken over there ought henceforth to be only one borrower—the Commonwealth. The States would then look to the head of the household, so to speak, for any money they wished to raise on loan. It would be a family arrangement. The amount which New South Wales borrowed through the Commonwealth would be put through the ledger and charged to that State. The amount which Victoria borrowed would be debited to her. It would be like the head of a family lending out money to the different members of his family, and saying to them, "You pay me interest on the amount which I lend to you for your advancement in life." That is the position which the Commonwealth ought to take, though I admit that it will be a long time before it can do so.

Sir JOHN FORREST.—Borrowers do not like the man from whom they borrow, as a rule.

Mr. HARPER.—If the obligation to pay the interest due every month be met I do not think we need trouble very much about the feelings of the States. They will get accustomed to the arrangement.

Mr. SYDNEY SMITH.—We have always been able to pay our interest.

Mr. HARPER.—Yes, but sometimes by obtaining another loan. And that is what I am seeking to prevent. I wish to take away the temptation from the Treasurer of any State to say, "Let us live a jolly life while we have the money; the cash is rolling in, and we will spend it," without having any regard to the day of reckoning. When that day came the State would be in the doldrums, and would have to raise, say, £800,000 by way of overdraft in order to enable it to pay the interest on its debts. The first charge on public works is the interest, and after that the working expenses. These must be met either by making the revenue pay the working expenses, or by openly subsidizing the States railways on public grounds. We are often told that it is far better for the Government of a State to borrow in Australia than to borrow abroad. At first sight, that seems a very sound proposition, but it must always be remembered that the ability to borrow depends on the ability to lend. If you borrow in the country, you are distinctly limited. It is, I take it, almost an axiom that the money which accumulates in a new country like this ought to be applied primarily, not to lending it to

the Government at a low rate of interest but to developing its various resource industries. What chance can there be in a new country have of borrowing money outside their own country, when they are huge concerns like the mining industry, and some other comparatively small manufacturing tradesman cannot borrow money in Melbourne but he can borrow money in Melbourne or Sydney, or Brisbane, as the case may be, because those who have the money know what he wishes to use it for and can look after it. I have always viewed with considerable disfavour the money which is fostered in many quarters which is a right thing to lend to the Government the money which is accumulating in the country, and have our industries strangled or kept back from want of it. The Government is the right party to borrow money abroad. With the credit of the whole country at its back, it can borrow on favorable terms; but private concerns cannot do that. So long as the money is borrowed for really reproductive purposes—and the crux of the question is that the works shall pay the interest and the working expenses—then we need not trouble ourselves very much about the amount of the loan, that is, within reasonable limits does not matter in that sense when money is borrowed by the Government it is just as bad for the Government to borrow the money in the country, and spend it, as to throw away money that is borrowed abroad.

Sir JOHN FORREST.—Would the honorable member place a limit on the borrowing power of the States?

Mr. HARPER.—I have purpose nothing that indefinite. I am only stating what has been passing through my mind. I desire to provoke discussion. I have thought out a scheme, but I do not wish to tie myself to it in that manner. There might be a necessity to limit borrowing, and if you formulate a principle that the money must only be borrowed for reproductive works, you thereby impose a limitation. My limitation is that henceforth the States should not be allowed to borrow for other than reproductive works.

Sir JOHN FORREST.—Who would be the judge—the public?

Mr. HARPER.—The Federal Government would have to ascertain the purpose for which the money was sought to be borrowed. I do not wish to discuss details. I find that, speaking generally, when



ent question is raised there is a very tendency on the part of critics to upon unimportant issues and not to with the main points.

ISAACS.—But this is vital to the ?

HARPER.—Yes. If the obligation incurred on the terms and conditions I have laid down, I do not think it will need to impose a limit. If the borrowed money through the Comptroller for schemes which entailed a burden of new taxation, that fact would become known to the State taxpayers, they would have to be trusted to see that the unders did not recur. This Parliament cannot take away powers which are vested in the people of the whole country. They will make fools of themselves, all they do is to put them in a position in which they shall not be deceived. If they are guilty of unjustifiable extravagance they come to see that they have been making fools of themselves, and we must trust their common sense to prevent them from continuing to be fools. These are the main points that I intended to bring with. This question seems to me so important that it brooks no delay. It is reproach to either this or any previous Government that it has not yet solved this problem. The inherent difficulties arising from the circumstances in which the Constitution was framed have yet to be overcome. This is not a question which affects the Ministry or the Opposition; it should be treated as an absolutely non-party question. All of us ought to seek to solve the problem to the best of our ability. The parts of the Constitution relating to the Comptroller which are defective or have proved unworkable. The best thing the Government could do would be to consider early date the propriety of appointing a small Commission of qualified men, the smaller the number the better, they do not believe in large Commissions. They make an inquiry from each Comptroller, point, and endeavour to bring up proposals, which, on their face, would be perfectly fair and reasonable to both the Commonwealth and the States. Their report would be a guide to honorable members, and, of course, it might be taken from the scheme I have outlined to-day. But I think that the suggestions made, which I have tried to put in a way that they would appeal to the common sense of honorable members, are

entitled to consideration. I suggest to the Government the advisability of remitting this matter to a small Commission of, say, three suitable men, who should be allowed twelve months in which to complete their work. It would possibly take fully that time, if not longer, to obtain absolutely accurate information, and consult legal gentlemen as to what may or may not be done under the Constitution. The recommendations of such a Commission would be useful not only to this Parliament, but to the other Parliaments concerned.

Mr. JOSEPH COOK. — Would a Select Committee of this Parliament not be sufficient?

Mr. HARPER.—I do not think so. It is no reflection on this Parliament to say that this is a highly expert matter, requiring somewhat peculiar knowledge.

Mr. BAMFORD.—The honorable member for Kooyong has a motion on the notice-paper dealing with the matter.

Mr. HARPER.—I to-day pointed out to the honorable member for Kooyong that, according to my view, though I did not give him my reasons in full, his proposal would not answer the purpose. According to the motion of the honorable member for Kooyong, the question would be remitted to gentlemen who had largely to deal with the same matter in the Federal Convention. I do not think it is necessary or advisable to seek the aid of men who have not given special attention to these questions, not only from the political stand-point, but also from the stand-point of the financier or accountant. I should not even like to see this work remitted to an accountant, because the question is one which must be settled to some extent by the exercise of the political instinct. With some knowledge of accounts, I could lay down hard-and-fast lines in order to secure a certain result, but, as practical politicians, we have, in dealing with an important subject of this sort, to consider political possibilities. We have to consider what we may and what we may not do under our Constitution. This is a question, therefore, which has to be settled in a quasi-political and financial way. I do not think that I have omitted any of the points I sketched in my notes; but, if I have, I dare say honorable members will be able to fill in any hiatus there may be in the argument. My opinion is that, ultimately, when this great question of

debts conversion comes to be dealt with, commissioners will have to be appointed, whose duty it will be to arrange loans and deal with the interest. I would even go further—and this is a point which will require very great and grave consideration—and intrust them with the command of capital in the shape of bonds or otherwise, up to the amount of, say, £5,000,000, so as to put them in a position to conduct financial operations in the event of any "corner" being established. The misfortune is that nearly two-thirds of our debts fall due at fixed dates. About £40,000,000 of debts can be taken up at any time after a certain period, but, unfortunately, as I say, a large proportion are payable on a certain date; and it would be advisable to place the commissioners in the possession of funds, so that they might be able to meet any combination against conversion. If that suggestion were carried out, the commissioners would be able to say, "Very well; we are prepared to give you Commonwealth bonds at 3 per cent. at par, and if you do not like to take those we will give you your money." The effect of such an arrangement as that would be that the Commonwealth could not be "cornered" in a conversion.

Sir JOHN FORREST.—All the Western Australian loans are floated that way.

Mr. HARPER.—I am not dealing with Western Australia. Although that State is a very important one, it is not quite the hub of the Commonwealth.

Sir JOHN FORREST.—What I say is that the term there is twenty years.

Mr. HARPER.—That is simply because Western Australia has only lately come into the market.

Sir JOHN FORREST.—There are many loans of other States on the same terms.

Mr. HARPER.—That is not so. Out of the £202,000,000 of debts there are, speaking in round numbers, £160,000,000 at fixed dates, the remaining £40,000,000 falling due in a way which is open to negotiation; that is to say, notice may be given at a favorable time. This makes it most important that the Commonwealth commissioners, in the event of undertaking this vast business, should be in possession of capital to enable them to go into the market and offer "new lamps for old," and, if that offer be not accepted, to return the money. The effect of such a plan would be, as I say, to frustrate any attempt to form a

"corner." A scheme to convert so vast cannot be carried out at once. public and some honorable members often express the idea that all we have to do is to go to London and say, "We will give you Commonwealth bonds for £100,000,000, and pay you 3 per cent." The lenders are now getting perhaps 5 per cent., and it is quite idle to suppose we can compel anybody to give up their security until the debt falls due. If people do give up their security, they want an equivalent in capital in order to compensate them for the loss of interest; and that would add enormously to our loans, and limit the benefit of conversion. I think that in Western Australia a convertible loan is due from 1916, and that will be the first one on which the Commonwealth will, under the lines I have proposed, be in a position to really test its strength. All the £15,000,000 of debts which fall due in the next five years, are at fixed dates, and must be financed, and the Commonwealth Government ought to have a Debts Commission in a position to finance the conversion and to anticipate and prevent any attempt at boycotting or cornering. I have referred to the three main questions—the conversion, the bookkeeping system, with which I hope we shall be able to deal next session, the transfer of the States debts to the Commonwealth, and also the question of the continuance of the Braddon section. I say, unhesitatingly, that the continuation of that section would be a great misfortune to Australia.

Mr. FISHER.—Has the honorable member anything to suggest in regard to the convertible stock?

Mr. HARPER.—We should have to consider, in the light of London advice, whether it would be the most acceptable form of security. Let us say, for the sake of argument, that we floated loans having a maturity of fifty years, with a provision that after the expiration of fifteen years they would become payable on six or twelve months' notice being given. In that case the stock-holders would know that they would have a security for at least fifteen years, and that at the end of that period they might be repaid, on reasonable notice being given. On the other hand, if the advice received from financial quarters were favorable, we might make our loans interminable; we might make them like the Australian consols; but even those would have to be payable on notice after a specified



It will be necessary for us to have to the future. At the outset, we have to pay 3 per cent., but as time goes on it might be open to us to give only 1 per cent.

JOHN FORREST.—They would be invaluable only so far as one side was concerned.

KING O'MALLEY.—Would the hon. member support the creation of a sinking fund to meet the loans as they fell due?

HARPER.—That goes without saying. The right honorable member for Balakrishnan attaches very great importance to the establishment of a sinking fund, and so does the Government to a certain point. I think that in the case of loans expended on reproductive works, like railways—and railways, if maintained in a proper state of efficiency, do not deteriorate and must necessarily increase in value as population increases and the percentage contribution to a sinking fund would be justifiable. One does not need to make provision to meet a loan where large contributions to a sinking fund when he has an appreciating security. I have, however, that loans amounting to £30,000,000 or £40,000,000 have been spent on unproductive works; and my suggestion is that, instead of making a large annual contribution to a sinking fund to meet loans in respect of railways, we should make but 1 per cent. one, and pay, say, 2 per cent. on a sinking fund to meet loans expended on non-productive works. Such works must deteriorate; but the railways are able to maintain their value, unless they are wholly neglected. Even in the case of railway loans, however, it would be unwise to have a small sinking fund.

HIGGINS.—In connexion with the sinking fund there must be a sinking fund to meet depreciation in rolling stock and machinery.

HARPER.—That is so. If the railways were going to remain stationary, they would depreciate; but this is not the position. The honorable and learned member is quite right in saying that provision must be made for depreciation in machinery. Railway managements and others controlling businesses in which machinery is used, must put aside provision to cover depreciation, unless they are prepared to come to grief. I come now to another point. A good deal has been said about the defamation of Aus-

tralia. I have had occasion to visit Great Britain more than once, and although I was not there during the recent tempest of misrepresentation, I can say that when I was in London in connexion with the affairs of a certain financial institution, I felt absolutely humiliated, and almost enraged at the manner in which Australia was defamed by people who owed everything they possessed to this country. The Commonwealth has no more dastardly enemies than the gentlemen in the various cities of the Commonwealth—they are not confined to Melbourne or Sydney—who write to the financial journals of the old world articles which, while in a sense true, because it is impossible to meet them with an absolute denial, are absolutely misleading as to the condition of affairs in Australia. Only yesterday, a friend of mine, a leading banker in this city, who regularly reads the *Economist*, said to me—"In reading this influential journal, I am amazed at the opinion which it entertains of Australia. I know that all it has to say in this regard is utterly untrue. If I believed what it wrote on the subject, I should consider that Australia was absolutely done for—that everything was rotten; but I know, as a banker, that we were never more prosperous than we are to-day." We know that this is so. At the same time I would ask honorable members whether we are altogether blameless? I hold that we are not. Many statements have been made in this House, for mere party reasons, which, if confined to the Chamber, would have been taken at their true value. But unfortunately such statements are taken up by the newspapers. The press gives but little information of what transpires in the Parliament; but any *bonne bouche* of the kind to which I refer is given undue prominence, and it is telegraphed to the other side of the world where little knowledge prevails as to the position of the Commonwealth. Very often the only statements with regard to Australia which the people of the old world see in the press consist of scandalous misrepresentations. It behoves us, therefore, to remember, when speaking in the House, that we have an audience beyond this country whom it is wise to consider. I would say to my honorable friends of the Labour Party, for whom, as they know, I have every respect, that, in my humble opinion, some of their actions betray even from their own stand-point a short-sighted policy.

am glad to learn that two of the leaders of the party have publicly stated that they wish a section in the Immigration Restriction Act, which, I admit, has been most shamefully misrepresented, to be amended. It is pleasing to know that they take that view of the position. I am convinced that all that the Labour Party desire is merely to prevent an abuse of immigration. They have no wish that an impression should go abroad that we do not want immigrants; and I do not think that any one in the House, or outside of it, believes that in the case of a strike or disagreement between employers and employed in some big industry, the country should be swamped by men, brought in like a foreign army, to interfere with a purely local trade disturbance, that should be settled by ourselves. While on this point, I may say that I think the insertion in the Post and Telegraph Act of the provision prohibiting the employment of black labour on our subsidized mail steamers, was a great tactical blunder. The employment of coloured men on board steamers carrying our mails has, after all, no earthly connexion with the principle of a White Australia. Honorable members may make the regulations to prevent them landing in Australia as strict as they please. But why should we prevent them from working on vessels that carry our mails, and are paid for that service?

Mr. BAMFORD.—Why not address these remarks to the acting leader of the Opposition?

Mr. HARPER.—That honorable member was once leader of the party to which the honorable member for Herbert belongs, but he is not now.

Mr. JOSEPH COOK.—I was never leader of their party.

Mr. HARPER.—I withdraw. I remember many years ago reading a sentiment of the late Mr. Gladstone which made a very great impression on my mind. He was, I think, speaking to public men, and he said, in effect, "The first thing is to be sure that you are right in what you want to do. The next thing, and it is quite as important, is to make it apparent to the public, and those with whom you have to deal, that you are right."

Mr. HIGGINS.—That is far more important.

Mr. HARPER.—I think that it is far more important in our position. I say to honorable members of the Labour Party that, however strongly

they may be in favour of the proposal which I have referred, nothing that I do or say will satisfy those with whom the Commonwealth should stand well. It is not a gratuitous act of interference in matters practically outside of our jurisdiction, and to achieve something is not necessary in order to maintain the principle of a White Australia. The proposal is not worth the candle. The Labour Party represent a large body of people in Australia—we are all citizens of no matter what country—and I say that we ought to use the means in our power, whilst upholding principles, and carrying out the legislation, which we think necessary to build up the country, to avoid even the appearance of the savours of dictation or interference with those beyond our own shores, and to do nothing—especially of a trivial character, and which can do no good to the body—that will prejudice against whom we seek to bring to the country our citizens. We should not invite the honorable member to think that it is our desire to keep the country selfishly for ourselves, and to give no consideration whatever for them. In regard to the sugar bounties, the honorable member for Franklin the other night objected to their payment, and spoke of the grievance they were to fruit-growers. One who understands a little about the working of these things, I say that the honorable member has been misled. I have seen it stated by associations of fruit-growers that they are paying a large sum in charges in connexion with sugar, and that they are at a disadvantage. They are not at a disadvantage. It is the consumer who has to pay for the sugar that is used in jams, and the matter affects them in regard to exports. If they wish to export jams to South Africa they must pay a drawback of duty, or they cannot export there with English exporters of jam. The Federal Government gives them a drawback of five-sixths of the duty that is paid on foreign sugar, and on a liberal scale. That is to say, if a jam manufacturer uses 1,000 tons of sugar a year, and he can dispose of 500 tons of it in the manufacture of jam in Australia, and of 500 tons in the manufacture of jam sent to South Africa, he is able to buy 500 tons of foreign sugar, which he pays a duty of £6 per ton, and he can use that sugar in his business. I think that a concession has been granted, for

of sugar on which he has paid £6 a duty he is allowed a drawback of 10s. if he exports jam to that extent.

MCWILLIAMS.—That is rough on Queensland grower, because it forces the manufacturer to go outside the Commonwealth for sugar.

HARPER.—The Queensland grower has a very wide field for their operation. They have the benefit of the whole home consumption of Australia, and that is a very big thing. With all respect to the honorable member, I say that I think the proposal made by the honorable member for Gippsland is a reasonable one, and could be carried out on safe lines. I could let the payment of the sugar duties continue for a time, and then taper them off until they entirely disappear.

MAUGER.—The question is, when does the tapering off begin?

HARPER.—Two or three years from the present time. In the history of the country these are small matters. I think to the honorable members that it has been sickening to read in the proceedings of the Conference held at Hobart of all the petty provincialisms that were stated there. I think we should try to inaugurate a day of better things, and to have larger views of public questions. It will be a matter to the Commonwealth to have to continue the payment of sugar bounties for a year, more or less, provided it is agreed that they shall taper off? The thing is not worth arguing about.

MCWILLIAMS.—If the honorable member were a fruit-grower he would not like that.

HARPER.—I am not a fruit-grower; but, as a matter of fact, I would like that if I were a fruit-grower, and it stood my business. Does the honorable member mean to tell me that if I put a tin of jam, the fruit in which costs 1s. and the sugar 1½d., and I sell it for 2s., or whatever the profit charged may be, the consumer does not pay the duty on the sugar?

KING O'MALLEY.—The honorable member represents the biggest fruit-growing district in Victoria.

HARPER.—I do; and I have pointed out to fruit-growers who have complained to me that they have been misled by a grievous fallacy.

Mr. JOHNSON.—Why should the payment of the sugar bounties be continued, when they were only intended to operate for a time?

Mr. HARPER.—The honorable member is raising a very different question. I have found the principle of reasonable compromise a very satisfactory principle to adopt in order to get out of a difficulty. When one comes to an *impasse* between himself and his opponent, he says, "there is no use in our going to law; let us settle the matter. You want something, and I will give you half, or I will give you something to-day and something else next week." If the application of that principle is satisfactory in dealings between private individuals, it is likely to be infinitely more satisfactory when applied to dealings between countries. We should endeavour to take a view of these questions above all petty considerations. I am not saying that the consumer has not to pay in this matter. I say that he has, and not the fruit-grower or the jam manufacturer.

Mr. MCWILLIAMS.—Would the honorable member like to be compelled to pay 40 per cent. on the raw materials of his manufactures?

Mr. PAGE.—If the honorable member did he would pass it on to the consumer.

Mr. HARPER.—I would.

Mr. JOHNSON.—That is one against protection.

Mr. HARPER.—Is it against protection? I have never said, in any of my speeches on the subject, that the consumer does not pay a revenue duty; but I do say that it does not follow from that that he has to pay more than he would have to pay if he purchased imported articles. I am in a position to prove that, in the case of many of the articles to which I referred during the discussion on the Tariff, and on which there was a contest, that since the duty was imposed the price has gone down, as I predicted it would, for reasons which it would take me too long to explain now. I am sorry that there are not more of our honorable friends from New South Wales present this evening. I have been a politician for a long time, and when I began political life we were at about the same stage in Victoria as they have now reached in New South Wales. There was then here a strong, irreconcilable, dominating, and domineering body of free-traders, more

extreme than Cobden ever was, and we had to fight them.

Mr. JOHNSON.—Good free-traders.

Mr. HARPER.—Good free-traders, I admit, but very bad legislators. Until their guns were absolutely spiked by the knowledge supplied to them, they persisted in their efforts to block protection, and some of them to this day like to have a parting kick at the old question. If our friends on the Opposition side of the Chamber only knew the other side of the question, and would allow their minds to be permeated with views which they are not accustomed to read—

Mr. JOHNSON.—Because they know them too well.

Mr. HARPER.—The self-satisfied man is the hardest to convince that he has made a mistake.

Mr. KELLY.—The honorable member is all right.

Mr. HARPER.—The honorable member says that I am all right. I have been on both sides in this matter, and I will tell the Committee my experience. I am a little older than some of these honorable gentlemen. I was born in the middle of the free-trade controversy, and was brought up amongst, and saturated with free-trade doctrines. I inherited the great free-trade principle as I imbibed my mother's milk. I believed in the free-trade view, though I was never so extreme as some of my honorable friends, because that is not my nature. I was, however, a free-trader, but as I grew older, and perhaps wiser, I had reason to doubt the soundness of the free-trade position. I began to see that there was another side to the question, and I would like my honorable friends here to do the same. I began to discover that things did not exactly work out as they should according to free-trade theory, and I tried to get books to read on the subject of free-trade and protection. I knew John Stuart Mill, and I was aware of his famous exception clause, which, to my mind, breaks down his whole argument. He is free-trade to the hilt, but for that. I had also read all the other free-trade works; but I could not get an English book which would give me information on the other side of the question. I therefore sent to America, and also got books from Germany, and one or two from Italy. I saw that there was a very big field of knowledge, of which I had known nothing. I then read List's

book, and I recommend it to my friends here, since I feel convinced, because of their cocksureness, that they have not read it. The result was that I began to doubt the correctness of my views on the fiscal question. In 1887, for the first time for thirty-five years, I returned to Scotland, my native land, and in the country towns which I knew in my school days, where there had been busy mills and cultivated fields, I found the mills abandoned and the fields turned into grazing land, and, most convincing argument of all, I passed on the road a big waggon loaded with bags of flour, marked Minnesota. I began to think that while free-trade may be a good thing for commerce, it is a bad thing for England. They are never, going to alter this state of affairs. Furthermore, I visited the big cities, which are busy manufacturing centres, and I found that the terms which were properly applied to our Victorian age, the other night were quite applicable to many of their factories. I then asked myself the question, Where, in fifty years time, will England get the labour required to carry on her manufactures, the districts having been depopulated by the destruction of the rural industries, the emigration of the people to other countries, and to the big cities? Thus I became a protectionist on the spot; in England, and in this country. If we wish to build up our industries, we must build them up on protectionist lines.

Mr. JOSEPH COOK.—Forty per cent of the population of Victoria resides in the Melbourne bourne.

Mr. HARPER.—And what per cent of the population of New South Wales is to be found in Sydney?

Mr. JOSEPH COOK.—At all events, protection has not corrected the evil of the Melbourne bourne.

Mr. HARPER.—I wish that my honorable friends would open their minds and talk rationally to those who differ from them on this question, because I am sure that if they did they would get a great deal of light and information. As to the question of the people in the cities, I think that a movement of the age, commerce, free-trade and protectionism, is arising from moral and social reasons, the discussion of which I shall not leave to to-night?

JOSEPH COOK.—The honorable member has not referred to the fact that on has been leaving Victoria for years past.

HARPER.—I am a native of , and they say that Scotchmen are und everywhere; that they like their untry so little that they go else- I do not agree with the latter state- Many Scotchmen do well in Scot-

McWILLIAMS.—They do well where- y go.

HARPER.—Yes; and although I otchman, I am proud of Victoria, we have trained our agriculturists, cturers, and merchants so well, and e so self-reliant, that if anything done in New South Wales, Queens- Western Australia, or elsewhere, a n must be got to do it. That is a ble fact within my personal know-

JOSEPH COOK.—This is the man who ing us for our self-satisfaction.

HARPER.—The honorable member the remark upon himself, because t intend to say anything on the sub- first visited Sydney in 1877, and ed a business there, and my in- as large in New South Wales as Victoria.

McWILLIAMS.—Did not the honor- member establish his New South business without the assistance of ?

HARPER.—There was a Tariff en. The right honorable member Sydney had not come into power. iff is, to some honorable gentlemen, ng Charles' head was to Mr. Dick. annot speak of anything without it in. I went to Sydney in 1877, hink that our firm was one of the etorian houses established in New Wales. Since that time nearly all New South Wales houses in leading business have ceased to exist, and ces have been taken by Victorians. mention the firms of Sargood, But- col and Ewen, Robert Reid and y, and many others. Who devel- verina? Who developed Queens- Who started the Queensland sugar ? Men in Melbourne, who lost, I n told, about £5,000,000 in doing to Western Australia, in 1891, old was discovered in that State, ulation was only 30,000. Since

then Western Australia has achieved great- ness; and why? Because 150,000 Vic- torians have gone there.

Mr. KELLY.—Did they leave Victoria because they were doing well?

Mr. HARPER.—The honorable member asks that question most innocently. I never yet met an enterprising man who had any pluck who was not prepared to go where he could better himself. I know of what is going on now. Men always seek the line of least resistance. Our Victorian farmers, for instance, finding that, owing to the high development which their industry has reached, the good markets which are open to producers, and the benefits of our protectionist Tariff, the land for which they paid £2 is now worth £10 per acre, are parting with their properties and going to New South Wales. A man who has 100 acres of land in Victoria, and finds that he can obtain £1,000 for it, makes up his mind to go to New South Wales or Queensland, where he can obtain 500 acres for the same money. He does not go because he is dissatisfied with his condition in Victoria, but because he thinks he can do better elsewhere.

Mr. JOHNSON.—That is a very good thing for New South Wales.

Mr. HARPER.—Perhaps so. The honorable member may depend upon it that the Victorians who are going into New South Wales will shake things up there. I should like to say a word or two with regard to another point. The question of what is to be done with tropical Australia will ere long demand the most serious attention of this Parliament. We cannot play the part of the dog in the manger too long. I think that we shall not be allowed to do so, or, at least, that we shall have great difficulty in retaining our possessions, unless we make good use of them. I admired the poetical rhapsodies of the honorable member for Moreton in describing his State, and I agreed with a great deal that he said. Whilst it may be true that sugar can be grown in certain districts of Northern Queensland by white labour, other very important considerations will have to be dealt with. We shall have to solve the problem of how we can make the best use of that large tract of territory stretching right across the continent from the Queensland coast to the north-west coast of Australia, and lying between the 10th and 25th degrees of south latitude. We shall have to ascertain whether white men can work and thrive there,

and it will be the duty of this Parliament to take some steps in that direction. I am not prepared to say how it shall be done, but no solution has been suggested by honorable members who have had experience in those northern latitudes. We find that in the Northern Territory of South Australia there are only 300 or 400 white people, although the settlement there has been in existence for many years. I recently looked at a map of the world, on Mercator's Projection, and followed the 10th and 25th degrees of south latitude to South Africa and South America. In Africa, I found that they enclosed a country which has been the home of the black races from time immemorial, and which, although invaded by northern races, such as the Assyrians, the Egyptians, and the Greeks, to-day bears no traces of any permanent settlement by white men. In the South American territory, between those degrees of latitude, we find the negroes who were imported, and the native Indians, the inhabitants of Portuguese blood being nearly all half-breeds. Whatever may be our views with regard to a White Australia, we cannot ignore these important facts, and steps should be taken as early as possible to solve the problem before us. It might be possible to establish, at different points, a number of settlements of white men, with their wives and children. We might insure good pay for such workmen, and offer them every reasonable facility for establishing their homes under reasonably good conditions. We should then ascertain what they could do, and how climatic influences would operate upon them and their children.

Mr. FISHER.—Croydon has been settled for twenty years.

Mr. HARPER.—I do not know anything about Croydon. It may be exceptionally well situated upon high ground.

Mr. FISHER.—No, its situation is a low one.

Mr. HARPER.—We should take reasonable means to ascertain whether that great tropical belt can be settled by white people. If it can be so settled, we should persist in our efforts to obtain men of the right class. It may be that Italians or Southern Europeans will be able to work there under conditions which would be intolerable to the men of our own race. I think it is due to the Commonwealth that the Government should give attention to

this question, and seek to devise means of ascertaining how the country may be worked by white labour, and what the climate will have upon them. I thank the Committee for the kind remarks they have given me, and I trust that everything I have said will be regarded as a good part, as I had no desire to say anything that would hurt any one's feelings.

Mr. LIDDELL (Hunter).—As a result of personal explanation, I desire to say that it has been pointed out to me—it appears to me to be a very serious matter—that some remarks I made at an earlier stage of the discussion may be made to have a meaning different from that which I intended to convey. At the time I was speaking a considerable amount of interruption occurred. I am not as experienced a speaker as many of the older members in this Chamber, and one who knows me will understand that I would not for a moment seek to convey such meaning as that which can be placed upon my words. I said

I maintain that in the back-blocks we are bringing a class of people who are little better than blackfellows. They are constantly increasing in number, and as the result of their environment are producing a race of degenerates.

When I used the term "back-blocks" I perhaps did not fully appreciate the meaning which might attach to it. I was referring to our large station properties in the parts of Australia from which the men come—such, for instance, as the parts who went to South Africa. I have in my mind certain isolated districts away from the ranges where the children of the settlers so seldom see strangers, that when they do catch sight of them, they rush away, and hide behind a bush. I know of places where that occurs. I simply used that illustration in support of my argument that these people, as a result of their poverty and inferior environment, produce children who are not mentally as they otherwise would be.

Mr. R. EDWARDS (Oxley).—I wish to make a few remarks upon the Treasurer's Budget, even at the risk of being interrupted with a desire to waste time. I have never been accused of anything of that kind, but Ministerial supporters and charged members of the Opposition have been having adopted "stone-walling" tactics during the whole of the past week. I think it is absolutely no foundation for that statement. There has been no wilful



any honorable member on this side of the Chamber. Any waste of time may have occurred has been entirely on the side of the honorable members opposite, and particularly to members of the Government. It is seldom indeed that more than one member is present in the Chamber, and I suppose I should feel highly disappointed, because there are no less than twenty Ministers listening to my remarks. I regret that they were not present to hear some of the very excellent speeches which have been delivered by honorable members on this side of the House—speeches to which no Minister has attempted to reply.

PAGE.—What is there to reply to?

MR. EDWARDS.—It is possible that honorable members opposite do not possess sufficient intelligence to enable them to appreciate an excellent speech when it is delivered. I am sorry to say that all assurances which have been submitted by the Government during the present session bear on their face the hall mark of the House of Deeds Hall. In this connexion I refer to the Commerce Bill and the Customs and Excise Bill. Members of the Opposition are opposed to socialistic legislation, and hence the criticism in which they have indulged, and which I maintain has been constant throughout. I repeat that if the business of Parliament has been defective, the fault rests entirely with Ministers. I contend that they have neglected their duties, and I resent the charge of mismanagement which has been levelled against Ministers of the Opposition. Personally I am very pleased when the Treasurer reports on the population of Australia. The question of how we can increase our population is one of immense importance to us, and when the right honorable gentleman reports that matter I naturally imagined he intended to outline some policy by which the Government hoped to attract to this country people from Great Britain and the Continent. But all that he said in this connexion was very disappointing. He said that since 1862 the flow of population to Australia had come to an abrupt

MR. JOHN FORREST.—I could not alter that.

MR. EDWARDS.—I do not find fault with the right honorable gentleman's report at all. Indeed, upon the whole, I think that his Budget was a very clear and intelligent exposition of our financial

position. Referring to the question of population, he said—

On the 31st December, 1904, the population was 3,984,376, while on the 1st January, 1901, when the Commonwealth was established, it was 3,765,813—an increase in the four years of 218,563. But if we take into account the excess of births over deaths during that period, which was 223,009, we find that the departures actually exceeded the arrivals by 4,446. The flow of population into Australia was satisfactory, or fairly so, up to 1892. Then, however, it seems to have come to an abrupt stop, and it has remained practically at a standstill ever since. For the ten years, from 1882 to 1891, the excess of arrivals over departures was 372,832. In 1891 the excess was 28,794, but from 1892 to the end of 1904—a period of thirteen years—the departures exceeded the arrivals by 15,116. During the four years of Federation the departures have exceeded the arrivals, as I have said, by 4,446. Prior to 1881 there were 646,000 persons introduced into Australia wholly or partly at the expense of the various Governments; but State aid, as we all know, has practically ceased in this connexion for the last twenty years.

I believe that that is to a great extent correct. Very little Government assistance has been given to immigrants from the old land in recent years. The Treasurer went on to say that the whole question was a serious one, which we have to face. No doubt every honorable member could give his own reasons why the immigration has been so small. In my opinion the principal reason is the competition of the United States and Canada. I can quite believe that the attractions of Canada have had something to do with preventing emigrants coming to Australia, the distance of this country being so much greater than to Canada. But I do not think that the attraction of the United States has had much influence, because I take it for granted that British people, on removing from the old land, would prefer to go to a country under British rule.

SIR JOHN FORREST.—They go in thousands to the United States. For one emigrant who goes to Canada, 100 go to the United States.

MR. R. EDWARDS.—They are chiefly emigrants from the Continent of Europe.

SIR JOHN FORREST.—A great number go from Great Britain.

MR. R. EDWARDS.—Quite a large number, I freely admit. Australia was never more prosperous than when we had a stream of immigration arriving every three or four months. For the past three or four years we have been expecting the Commonwealth Government to do something to bring out to this country a good

class of people to settle amongst us. There is room for them. No one will deny that. I am in accord with the Treasurer when he says that the whole question is serious, and that something ought certainly to be done. I agreed with the right honorable gentleman when he referred to the misrepresentation of Australia. It is most regrettable to hear an Australian decrying his own country. But at the same time the Federal Parliament, by passing such a measure as the Immigration Restriction Act, has done more to disparage the Commonwealth than anything that any individual has said. It is very unfortunate that we have placed upon our statute-book a measure calculated to occasion such incidents as those of the six potters, the six hatters, and the blind gentleman who landed at Hobart a few weeks ago. Since then there has been the case of the groom who secured for himself a ticket-of-leave to make sure that he would be allowed to land at Sydney with his horses.

Mr. BAMFORD. — That is another "Tozer" statement.

Mr. R. EDWARDS.—No, Sir Horace Tozer had nothing to do with that incident.

Mr. WEBSTER. — What about Lady Tozer's "slavey"?

Mr. R. EDWARDS.—The taking out of an exemption certificate in the case of Lady Tozer's maid was simply a precaution on the part of Lady Tozer that there would be no difficulty in landing when she came out.

Mr. CULPIN.—What made Sir Horace Tozer say that the maid was a prohibited immigrant?

Mr. R. EDWARDS.—I think that, as a matter of fact, the lady has become a permanent resident of Australia, because on the voyage she became attached to a young man on board the steamer, married, and settled here.

Mr. WILKINSON.—Sir Horace Tozer told me that he would not alter the Act as far as concerns men.

Mr. R. EDWARDS. — I have nothing to do with Sir Horace Tozer, but it is certain that such restrictive legislation has not raised Australia in the estimation of any civilized nation. Indeed, we have become the laughing-stock of the whole world. About two years ago, I visited some eastern countries, and, through the kindness of the Japanese Consul at Townsville, I was given a few letters of introduction to

public men in Japan, such as may be found in various cities, members of the Japanese Parliament, and one or two Ministers of the Crown. These gentlemen were extremely kind to me, and we became very friendly. At Tokio one day, when speaking to a Minister of the Crown, he said, "Mr. Edwards, you do not want any Japanese in Australia." I replied, "I should like to have some Japanese; I considered them to be a very good class of people." "No," he said, "you do not want any Japanese in Australia." "I said," he said, "your country is small, and you have a very large population, so you do not like 45,000,000. Australia is a small country—as large in area as the States of America—but our population is small, being about 4,000,000. We do not like you to send 5,000,000 or 10,000,000 Japanese to our country to swamp us out of Australia." "Sir," he said, "you do not want Japanese in Australia, but you do not want your own country's people either. What about the six hatters?" In Japan I found that they were quite familiar with the legislation of the Commonwealth Parliament. I discovered that the same was the case in Hong Kong. How can we expect emigrants to come here under those conditions? Is it likely that we can increase our numbers whilst we retain such legislation? What country would believe that? Australia is sincere in her desire to increase her population while such measures are on our statute-book? It is just as well that honorable members should understand that we have become ridiculous in the eyes of the world. It is well that we should know what other countries think of our legislation. Great Britain people are under the impression that no one is allowed to enter Australia without submitting to an aptitude test, and writing a sentence in Chinese words, perhaps in a language of which the immigrant cannot possibly be expected to know anything. I admit that is an error; but it is an impression which prevails in the old country, and therefore we correct that impression by doing away with the contract sections of our Immigration Restriction Act the better it will be. I wish to read a letter in which a educated Japanese gives his views of Australia. He says—

You Australians make great efforts. Your Parliaments borrow large sums of money for the purpose of dredging harbors,



harfs, breakwaters, lighthouses, &c. You commercial agents to the East, and then as legislation which deliberately insults people with whom you are making these trade. You give your children pennies into the Sunday-school missionary boxes for the purpose of converting the heathen (and all the coloured races under that catechism, even after they have been converted, regard their presence as a degradation and disgrace, and their creation as a blunder. All the world to-day prays "Thy Kingdom come, and all be done on earth as it is in Heaven!" and all the (many of them coloured men) have their eyes fixed and looked forward to the time when the whole earth shall be filled with the knowledge of the Lord." There is not a professing Christian anywhere but must admit the inclusion of the heathen of every tribe and nation in the plan of salvation, which brings us to the untenable position that the alien may enter the land, but may not enter Australia. Truly, the policy of the wonderful "White Australia" leads us to some strange conclusions. It is enough to dwell for all eternity in Paradise with the Almighty, the Archangels, the Cherubim and Seraphim, the spirits of just men made perfect, the glorious company of the apostles and the noble army of martyrs; but—not enough to dwell on the same Continent with the C. Watson and the Australian Labour

as the letter is a little extravagantly but it contains a good deal of truth. It shows what educated persons in the United Kingdom think of the legislation of which some of our members apparently are very

**CULPIN.**—The honorable member must not pretend that that is true?

**R. EDWARDS.**—It is perfectly true. If the honorable member knew the facts, he would not question the accuracy of the letter for a moment. I have no doubt that he and others think the Japanese are an uncivilized race; but as a matter of fact, they were civilized before there were any Englishmen, Scotchmen, or Welshmen. They have their Emperors as far back as the time of our Saviour. So far as civilization, science, and education go, we cannot say that we are superior to the Japanese. They come very much nearer home. A very interesting article was published in the *Saturday Standard* last; in fact, it was one of the best articles which have been published in that newspaper. It contains a great deal of sound common sense, and protests against Australia being fenced in, and a protest against persons coming into the territory. I shall content myself by reading the principal portions of the article—

The Australian Commonwealth is larger than the combined areas of Germany, Austria, France,

Italy, Spain, Portugal, Belgium, Holland, Denmark, Scandinavia, and the British Islands. A mere sprinkling of people, numbering fewer than 5,000,000—

I think that it should have been under 4,000,000—

have marked off for their exclusive use this vast territory, claiming more of the earth's surface than has served the needs of all the white races of Europe, except the Russians; and their main endeavour has been to stock its luxuriant native pastures with cattle and sheep. They have posted up the legend "a White Australia" on the boundaries of a rich continent, and they seem to expect the teeming populations of the yellow races to respect the notices. It may be taken as certain, however, that the surplus population of the 800,000,000 of the crowded East will need more than mere notices to keep them out of an empty Continent lying at their doors. This Continent is empty and adjacent to the swarming East, and any attempt to retain a monopoly of the country by simply fencing it in and running sheep and cattle upon it must ultimately end in failure. The policy of a "White Australia" can only be made successful by filling the country with a large population of white men.

Experience has conclusively proved that such a population cannot be obtained without an effort. The undesirable races will come without being asked, but it is different with Europeans, especially with those classes of Europeans who are most needed for the development of new countries. That stream of agricultural population which for more than a generation has been flowing into the United States, and which is now being partly diverted into Canada, has been promoted and maintained by strenuous and sustained efforts on the part of these countries. The forces which impel the surplus population of the old countries to emigrate are natural, but the destination of the immigrant is determined by artificial conditions; and the history of emigration shows that the agricultural settler especially goes to those countries which press upon him the most tempting inducements. The emigrating agriculturist with large or small capital does not explore the world in search of hidden land in unknown countries, but before he leaves home he knows where he is going, and he has been convinced by agencies maintained for the purpose that he is likely to better his condition.

That is a very sensible article, and some steps should be taken to bring out persons to occupy the immense areas of vacant land that we have. If the tropical and fertile lands of Queensland and South Australia are allowed to remain unoccupied for a number of years, is it not possible to imagine that they may be taken possession of by hordes of persons from some of the Eastern countries? Ten, aye, twenty million persons could easily be brought down from China and Japan. I believe that if they ever take possession of the northern lands of Australia they will make a very good thing out of them. We ought to

make an effort to utilize these lands with white labour, as far as we possibly can; and even with the help of a limited number of coloured persons if it cannot be done otherwise. I notice that provision is made in the Estimates for the payment of £120,000 per annum to the Orient Company for a mail service between Sydney and Great Britain. I have no fault to find, except that the contract is for a service between Sydney and Great Britain. Why was not Brisbane included in the contract?

Sir JOHN FORREST.—The contract was made by the late Ministry.

Mr. R. EDWARDS.—The present Government took over the responsibilities of their predecessors. We cannot call the late Government to account for anything they did, and we are justified in falling back upon the present Government. If Ministers found out that their predecessors did not do what was right to any State it was their duty to rectify the mistake. I hope that some step in that direction will yet be taken. This is not a mail contract entirely. It is just as much a service for the carrying of produce as it is a mail service, for provision was made in the form of tender that the steamers should provide refrigerating chambers, and make a fixed charge for carrying cargo. Had it been a mail service which ended at Adelaide. I do not think that Queensland could have offered any objection. It is a cargo service as much as it is a mail service; and, on that ground, I maintain that Brisbane should have been included as a port of call when tenders were invited. In my opinion, it was a mistake to call for alternative tenders, and I cannot understand how it was that Brisbane was not included in the first instance. Honorable members will have observed that since then the Premier of Queensland has been able to make arrangements with the Orient Company to run their boats to Brisbane once a fortnight, in return for an annual payment of £26,000.

Mr. BAMFORD.—What Queensland wants is a Torres Straits service.

Mr. R. EDWARDS.—I wish that the Premier of Queensland, instead of offering a subsidy of £26,000, had offered to pay £40,000 or £50,000 for a direct service from Brisbane, along the northern coast to Java, and across the Indian Ocean, such as there was some years ago. For double the amount which Queensland has now to

pav, I think that State could have had a service of first-class steamers independently of the Commonwealth Government. Having regard to the late may I ask that progress be reported, and that I may be permitted to resume my remarks to-morrow.

Progress reported.

House adjourned at 11.3 p.m.

## House of Representatives

Thursday, 7 September, 1900.

Mr. SPEAKER took the chair at 10 p.m., and read prayers.

### PETITION.

Mr. JOSEPH COOK presented a petition from the Executive Committee of the Fruitgrowers' Union of New South Wales, praying the House to amend the Commerce Bill, to prevent injury being done to the trade in perishable produce.

Petition received.

### KALGOORLIE TO PORT AUGUSTA RAILWAY.

Mr. MAHON.—I desire to ask the Prime Minister a question without delay. Has his attention been directed to the discussion in the South Australian Parliament reported in this morning's news wherein doubt is expressed as to whether a pledge had been given by South Australia prior to the Federation that the Commonwealth would permit the construction of the continental railway through its territory? In view of the defective memory of certain South Australian politicians, would the Prime Minister draw the attention of the Premier of the State to a letter, dated 1900, by the then Premier of South Australia to the then Premier of Western Australia, in the following terms:—

Premier's Office,  
Adelaide, 1st February,

Sir,

Following our conversation as to the blocking of a construction of railway line from Kalgoorlie to Port Augusta by the Commonwealth, authority, by South Australia refusing to consent rendered necessary by section 34 of the Constitution of the Commonwealth Bill to the construction of the line through her territory, I regret the withholding of consent as a most important thing; in fact, quite out of the question.

To assure you of our attitude in the matter, I will undertake, as soon as the Federation

ished, West and South Australia both being of the Commonwealth, to introduce a Bill giving the assent of this province to construction of the line by the Federal authority and to pass it stage by stage simultaneously with the passage of a similar Bill in your Parliament.

I have the honour to be,  
Sir,  
Your obedient servant,  
F. W. HOLDER.

DEAKIN.—I well recollect the now that it has been read, and feel that when the Premier of South Australia consults the papers necessary for the consideration of this matter, he will have more him.

MAHON.—He appeared to know of it last night.

DEAKIN.—It might suggest a of acquaintance on his part with the of his predecessor, if he were asked.

MAHON.—His own words suggest lack of acquaintance.

DEAKIN.—I have no doubt that honorable member's action in putting question, and reading the letter, on the being telegraphed to South Australia will achieve the end he has in view.

#### PROFESSIONAL REGISTRATION AND EDUCATION.

WILSON.—I wish to know if the on of the Prime Minister has been ad to an address, given by Mr. Syme, Adelaide Medical Congress, on the ation and education of medical men, whether he will consider the advisa- of taking steps, by preparing an ment of the Constitution, or in some way, to bring about a uniform sys- registration and education for medi- and the members of the legal and learned professions throughout the onwealth? It seems to me eminently ole to do so.

DEAKIN.—The question is one upon as a layman, I feel incompetent to s an opinion; but if the Congress e medical profession throughout the onwealth prefer a request on the sub- will receive the grave consideration it will require.

#### LIFE INSURANCE.

CROUCH.—Has the attention of ime Minister been directed to state- in the English newspapers which sworn statements made in New to the effect that an American life ce society, whose name I do not

wish to give, doing a large business in the Commonwealth, is practically insolvent? Is he further aware that the German Imperial Government have taken steps to impound the assets of that company, in order to protect German policy-holders? Has the honorable and learned gentleman given the matter consideration, in the interests of Australian policy-holders?

Mr. DEAKIN.—I had not gathered that the statements were as serious as the honorable and learned member indicates. The Commonwealth Parliament has not yet legislated in regard to insurance, but an honorable member has given notice of his intention to introduce a measure.

Mr. CROUCH.—No; a notice of motion affirming the advisability of legislation.

Mr. DEAKIN.—The matter will receive consideration when that motion is dealt with, and in anticipation of the discussion I shall have the necessary information collected.

Mr. HIGGINS.—The German Government is adverse to all American insurance companies.

#### TRADE DESIGNS.

Sir LANGDON BONYTHON asked the Prime Minister, *upon notice*—

Whether the Government intend this session to introduce a measure dealing with trade designs?

Mr. DEAKIN.—If time permits.

#### STATE-OWNED STEAMERS.

Debate resumed from 24th August (*vide* page 1451), on motion by Mr. SPENCE, for Mr. THOMAS—

1. That a Select Committee of both Houses of Parliament be appointed to make full inquiry as to the advisability of the Federal Government owning and controlling a fleet of steamers for the carriage of mails, passengers, and cargo between Australia and the United Kingdom. The Committee, so far as the House of Representatives is concerned, to consist of Mr. Glynn, Mr. Mahon, Mr. McDonald, Mr. McWilliams, Mr. Robinson, Mr. Sydney Smith, Mr. Thomas, Mr. Webster, and the mover, and to have power to send for persons, papers, and records. Four to be the quorum.

2. That the foregoing resolution be transmitted by message to the Senate and their concurrence requested in the appointment of the Committee, and asking them to appoint members to serve thereon.

Upon which Mr. DEAKIN had moved, by way of amendment—

That the words "of both Houses of Parliament," lines 1 and 2; "the advisability of the Federal Government owning and controlling a fleet of steamers for," lines 3 and 4; "so far as the House of Representatives is concerned," lines 7 and 8; and paragraph 2, be left out.

And upon which had been moved, by way of further amendment,

By Mr. ROBINSON—

That the words "Mr. Robinson" be left out.

By Mr. THOMAS—

That the words "Mr. Glynn" and "Mr. Webster" be left out with a view to insert in lieu thereof the words "Mr. Chanter" and "Mr. Gibb"; and that the words "Mr. Storrer" be inserted.

By Mr. BATCHELOR—

That the words "Mr. McWilliams" be left out with a view to insert in lieu thereof the words "Mr. Henry Willis."

Mr. CARPENTER (Fremantle).—I thank the House for having given me permission to continue my remarks on this motion to-day; but I do not intend to occupy much time in doing so. When I last spoke, I referred to the need for some such inquiry as is asked for, and said that the report of the Commission appointed in Western Australia to deal with these very matters, as they affect that State, will be useful to the Commonwealth Committee, if it be appointed, as I hope it will be. I also mentioned the fact that it had transpired that on account of the existence of a certain shipping ring, or ring of shipping brokers, freights to Australia were very much higher, and that there appeared to be no means of dealing with the combination, whose operations were tending to increase the prices of commodities to the Australian consumer. I desire to make one further reference to the report of the Commission for the benefit of honorable members opposite, who are evidently inclined to cavil at the appointment of the proposed Committee. Among other things, the Commission state, "A large number of importers gave evidence in support of Government intervention." I should like to commend those few words to the attention of honorable members opposite, who are supposed to represent importing and commercial interests in particular. It is clearly shown that the importers of Western Australia have got into the grip of the shipping combine to such an extent that, even with all their objections to Government intervention, they are compelled to state publicly that they see no other way of dealing with the evil. I could point out how the Government of Western Australia has been mulcted of thousands of pounds per annum through the operations of the shipping ring, but as that subject will fall within the scope of the work of the Committee, it is not now necessary to refer to it, and as I believe

that the evil which exists in Western Australia is to be found in greater degree throughout the Commonwealth, I think the best thing that can be done is to arrange for a full inquiry.

Mr. CULPIN (Brisbane).—I wish to add a few words in support of the motion. The Queensland Government have taken certain steps with regard to this matter, and I wish to quote from a letter recently written by Mr. T. C. Beirne, of Brisbane, who is now in London, to Mr. Frank McDonnell, a member of the State Legislature, describing the conditions under which he endeavored to bring about an improvement in the arrangements of the shipping combine. It has been preventing certain shipping companies from taking cargo from London to Brisbane. Under present arrangements, certain steamers are obliged to discharge their Brisbane cargo at Sydney, and then to come to Brisbane empty in order to load cargo for London. Mr. Beirne calls this a "great evil." Mr. Hughes, and he describes the position as follows:—

"We called on Mr. Hughes, who knows the land well, and is well known there by name, is, or was, chairman of Geddes, Birt, and Co., of South Brisbane. When Mr. Dobree inquired of him, and shortly stated the object I had in view, in calling on him, he said, 'What have you to do with the Aberdeen steamers—what have you to do with the Queenslanders for Queensland or for Queenslanders? I hate the Queenslanders; I hate it. I hate the people; it is unjust and unfair.'"

Mr. WATSON.—That was said by the chairman of the ring.

Mr. CULPIN.—Yes. Mr. Beirne says further:—

"I helped to open up your country, and I have got steamers. I was not satisfied with the result, so I still further help you. I invested £10,000 in building refrigerating and cold storage works, and what return or what thanks have I got for it? You? My steamers always paid their harbor dues, and are paying them now. I have got no rebate or consideration from you or your Government; but directly a new steamer comes along you receive him with open arms and free docks. Is that right? Is that fair? Is that honest? And now I hear that you Queensland Government are going to stop the refrigerating works and cold storage of goods at Pinkenba."

This shows the shamefully unfair position taken up by the ring, and I trust that the inquiry will be conducted by a select committee, with some satisfactory results.

Mr. SYDNEY SMITH (Macquarie).—I shall support the motion. I cannot see that any harm can result from the proposed inquiry; but, on the other hand, I conceive that much good may be done.

the time I was in charge of the administration of postal matters, I experienced a good deal of trouble with the mail carrying companies, and had great difficulty in arriving at a satisfactory arrangement with regard to the English mail service. Honorable members know full well how the Government were treated. Ten years before the English mail service had been taken over the late Government took no but no satisfactory response was given and we were eventually compelled to enter into a contract for a service at £100 per annum, although we considered that we should have secured what was required for a considerably smaller sum. In view of the fact that the present contract expires in about two years—on January, 1908—it will be well for the committee to inquire as to what steps should be taken by the Government in relation to mail services in the future. It is necessary for the Postmaster-General to give notice two years before the expiration of the contract. I had no objection to that condition, because we could give notice of our intention to determine the contract without in any way prejudicing our position, in the event of our subsequently deciding to continue the arrangement. It is unfortunate that negotiations for a new contract of this service should have been delayed until the last possible moment. Honorable members are aware, tenders for the existing English mail service were received for only about three months prior to the expiry of the old contract. It was practically impossible for the late Government to conclude a satisfactory arrangement for the carriage of our mails, and they were forced to limit their negotiations to one company. If they had had a couple of years in which to make arrangements, I believe it is quite possible that they might have entered into a better contract from the stand-point of the Commonwealth. That remark applies, not only to the service for the carriage of our English mails, but to other services. Honorable members will recollect that the contract for the Vancouver mail service expired about the same time as that with the Oceanic Company. The late Government experienced some trouble with the Oceanic Steam-ship Company. These three contracts had practically to be renewed at the last moment. It is not fair, either to the Government or to the Parliament, that negotiations for fresh mail contracts should

be deferred until within a few months of the expiration of existing contracts. I believe that there is a great deal to be said in favour of the Vancouver service. I recognise that the chief difficulty experienced in connexion with that service is the period that is occupied in delivering the mails. But as trade increases we shall doubtless be able to obtain a quicker service. At any rate, the Vancouver service is very much more likely to be free from complications than is that *via* Suez. I believe that if a Select Committee be appointed to investigate this matter its members will acquire a fund of information which will prove of material assistance to the Government in dealing with our mail services in the future. At present we have no contract with the Oceanic Steam-ship Company. That company carries our mails upon the poundage system, and we have experienced a lot of trouble with its directors, who think that they should receive a higher sum than that which it is at present being paid. I am of opinion that the proposed committee would be able to elicit from the shipping companies very valuable information, which it is impossible for any Government to secure. Consequently I welcome this proposal. No possible harm can accrue from the appointment of a committee, and I think that much good ought to result from its inquiries. Such an investigation should result in the acquisition of valuable information which will be of material assistance to any Government in calling for fresh tenders for our mail services generally.

Mr. WILSON (Corangamite).—If it were intended to appoint the proposed committee for the purpose indicated by the honorable member for Macquarie, there might be something to be said in favour of the motion. But I would point out that its mover has expressed his desire to proceed with the inquiry only on condition that the advisability or otherwise of the Federal Government owning and controlling a fleet of steamers for the carriage of mails, passengers, and cargo between Australia and the United Kingdom, be also investigated.

Mr. SPENCE.—The amendments proposed by the Prime Minister have been accepted.

Mr. WILSON.—I quite understand that. But the honorable member for Barrier has distinctly stated that he would not persist in his motion unless the matter to which I have referred was also to be inquired into.

Mr. SPENCE.—Would the honorable member exclude an inquiry of that kind?

Mr. WILSON.—Yes; I think that it is altogether undesirable.

Mr. WATSON.—One of the leading merchants of Melbourne recently declared that it was necessary to establish a line of State-owned steamers, in order to give the merchants a chance.

Mr. WILSON.—I am glad to learn that the honorable member for Bland is winning over to his side the leading merchants of Melbourne.

Mr. WATSON.—They are coming over gradually.

Mr. WILSON.—I congratulate the honorable member upon his conquest. Another objection to this motion is that it is inadvisable to appoint so many Select Committees and Royal Commissions. One of the most serious errors into which our States Parliaments fell some years ago was that of appointing Select Committees and Royal Commissions to inquire into almost every conceivable subject under the sun.

Mr. STORRER.—They did good work.

Mr. WILSON.—The fact remains that in many cases the result of their exhaustive inquiries is buried in the archives of the House.

Mr. SPENCE.—Did not the Butter Commission accomplish good work?

Mr. WILSON.—I do not say that some Select Committees and Royal Commissions have not achieved great results. I admit that the Butter Commission did admirable work, and that those who are interested in the dairying industry rejoice in its finding. We rejoice that the result of that inquiry was to expose the roguery which has been carried on in the trade. Those who are connected with the industry at its source were glad to have themselves cleared from all imputations of dishonesty.

Mr. CARPENTER.—Then why not be consistent, and vote for this motion?

Mr. WILSON.—To my mind the proposed committee would be a frivolous one. It would merely mean an increased expenditure on behalf of this Parliament, and therefore I protest against it.

Amendments agreed to.

Question, as amended, resolved in the affirmative.

#### *Resolved—*

That a Select Committee be appointed to make full inquiry as to the carriage of mails, passengers, and cargo between Australia and the United Kingdom. The Committee to consist of

Mahon, Mr. McDonald, Mr. Henry Willis,

Mr. Sydney Smith, Mr. Thomas, Mr. Gibb, Mr. Storrer, and the mover have power to send for persons, papers, and records. Four to be the quorum.

#### SEA CARRIAGE OF GOODS

Motion by Mr. DEAKIN (CAMERON) agreed to—

That a return be laid on the table of showing the amount of trade in periodicals between the Commonwealth and during the three years before the Sea of Goods Act came into operation, the items to be specified, and to show for the quantity and value of each item; and particulars since the Act came into operation.

#### SLANDERS ON AUSTRALIA

Mr. MAHON (Coolgardie).—I

1. That the persistent misrepresentation of the legislative and administrative machinery of the Commonwealth reflects unjustly on the character of the Australian people, and operates prejudicially to the progress of the Commonwealth by checking immigration and impairing the confidence of the States in the estimation of British foreign investors.

2. That, it being expedient to remove erroneous and injurious impressions created by misrepresentation, this House requests the Minister, pending the appointment of a Commissioner for the Commonwealth—

(a) To confer with the Agents-General of the States in devising a more effective method of periodically placing before the people of the United Kingdom unbiased particulars of the legislation, administrative machinery, and sources of Australia (or) and

(b) To invite the leading newspaper associations of the United Kingdom to jointly nominate three representatives to visit Australia; conveying to them an invitation and assurance that the facilities required would be afforded by gentlemen to conduct such a mission as they might deem fit to represent the position of Australia, and place it into the charge that our legislative and administrative policy unduly restricts the incoming of reputable workmen and grants suitable for the work of the nation.

This motion is certainly one of the most importance; but as I did not anticipate the failure of other honorable members to proceed with motions on this paper having precedence of my own, I am not prepared to speak to it just now. In these circumstances, I would request the Prime Minister to consent to the motion being discussed on a day set apart for Government business. Unless he is prepared to grant my request, I shall have to ask that the adjourned debate on the order of the day for 10th October next be in view of the importance of the subject.

fact that the legislation and administration of the Commonwealth is constantly being subjected to misrepresentation, I think that the Prime Minister should endeavour to set apart an afternoon for discussion at an early date.

Mr. DEAKIN.—Rather than do that, we are so pressed for time, I should be happy to accept the motion now, if the honorable member would agree to omit paragraph *b* and to slightly modify paragraph *a*. I think that in the form I have indicated the motion would express all that we desire.

Mr. MAHON.—I submitted paragraphs *a* and *b* as alternative proposals, and am prepared to abide by the decision of the House in regard to them. I recognise that the Prime Minister has already done much in the direction suggested in paragraph *a*; the alternative proposal is worthy of the attention of the Government. It practically extends an invitation to the newspapers that have been libelling Australia to send representatives here to investigate the position of the Commonwealth, and to inquire more particularly into the effect of our legislative and administrative policies. The passing of the motion will prove that Australia has nothing to hide, and that we are conducting an impartial investigation. If the invitation were accepted, it would be a magnificent advertisement for the Commonwealth. While I feel grateful to the Prime Minister for the offer he has made, I certainly cannot consent to eliminate paragraph *b* from the motion, since it is, in my mind, the more important of the two propositions.

Mr. DEAKIN.—It contains contentious matter, which would be argued, while paragraph *a* does not.

Mr. MAHON.—That being the view of the Prime Minister, I ask leave to continue my speech at a future date.

Leave granted; debate adjourned.

## COMMONWEALTH NAVAL EXPENDITURE.

Mr. KELLY (Wentworth).—I move—

That whereas the command of the seas in time of war is essential to the security of the Empire's interests on, and beyond, the seas; and whereas this command cannot be assured by separate squadrons acting independently on behalf of each section of the Empire; and whereas the United Kingdom, which has hitherto borne practically unassisted the burden of Imperial naval defence, will sooner or later be unable to continue to make sufficient provision against the

rapidly increasing naval armaments of foreign powers, this House is of opinion—

1. That all naval expenditure by the Commonwealth of Australia should be towards an Imperial Navy, on the efficiency and adequacy of which in time of war will depend her security from serious danger; and
2. That the Commonwealth of Australia's contribution to the Imperial Navy should be doubled.

At the outset I express my regret that it has fallen to the lot of a private member to move a motion of such importance as that which I now have the honour to submit. It is the more regrettable, because, unfortunately throughout the country, and in certain sections of the press, the importance of a motion is gauged, not so much by the arguments used in support of it, as by the source from which those arguments have emanated. I do not wish to refer further to this phase of the question, except to again express my regret that it should have fallen to my lot to move such a motion. As I hold these views, I may be asked, "Then why move the motion?" But, the fact of the matter is, that such a crusade of activity on behalf of the false principle of a separate Australian Navy has been inaugurated throughout the Commonwealth, in the course of the last few months, that it is absolutely essential that the other side—the truly national side—should be put, no matter how ineffectively, at the first opportunity.

Mr. CARPENTER.—The honorable member's motion means that he has no confidence in Australia.

Mr. KELLY.—The honorable member will see before I resume my seat that I have every confidence that Australia can, and will, do her duty.

Mr. CARPENTER.—This motion says the opposite.

Mr. KELLY.—It certainly does not.

Mr. CARPENTER.—I say that it does.

Mr. SPEAKER.—Order! The honorable member for Fremantle will have an opportunity to speak later on.

Mr. KELLY.—My honorable friend perhaps knows so much about this subject that he may be able to decide what is in my mind, and what is not. If he will only remain quiet, he will hear that I have founded this motion on views which have been acceptable in all ages to military opinion, and are not likely to be upset on the mere *ipse dixit* of the honorable member for Fremantle. The motion does not



attempt to deal with the question of what share Australia should bear in the obligation of Imperial defence; it merely lays down the principle that all naval contributions must be to one central authority.

Mr. DEAKIN.—The second sub-paragraph goes further.

Mr. KELLY.—It goes further, for a reason that I shall state towards the conclusion of my speech. I am not particular about that in the least. The main point is contained in the first sub-paragraph—that all naval expenditure should be made to one central authority, which should be made responsible for the protection of every member of the British family. Honorable members will see that one of the reasons given in this motion as to why Imperial naval defence is essential is the vast interests of the Empire, both on and beyond the seas. I shall first put very briefly the position of the Empire to-day, in relation to the interests it has on the seas, and in keeping command of them in order to be able to render help to various sections as occasion may arise. Our Empire has sprung from one parent stem, which, though geographically speaking, the smallest section, is still by far the most powerful section of the Empire. From that parent stem seedlings of the race to which we are all so proud to belong have gone over seas to every corner of the world, and wherever friendly fruitful territory has been offered have implanted themselves. Just as the British people have been able to make their Empire by the mastery of the seas, so they have developed it under the same protection. It is only through this command of the seas that we in Australia have been free hitherto to devote ourselves to the development of our territories without consideration of the graver problems of national existence. If this national security is guaranteed for another generation, or for a couple of generations, there are no bounds to the possibilities of development in our great Empire. At the present time the United Kingdom, with an area of only 121,000 square miles, is able to carry a population of 42,000,000, and, including specie and bullion, an external trade of over £1,000,000,000. The self-governing Colonies—and these are the main buttresses of the Empire, and must be the first parts of it to accept their full obligations of partnership—have an area of over 7,000,000 square miles, with a population of less than 14,000,000, and have reached an over-

sea trade of over £290,000,000. It is obvious to honorable members that immense development may easily be made by the Empire if the essential for present security and future expansion—the command of the seas—is maintained. The question is whether this security is likely to be maintained for the Empire on the basis on which it now rests. The very existence of the self-governing Colonies, the high seas, and on which they depend for national prosperity, must make them pay a considerable price thereon. But, if this were not the case, the very existence of all our scattered peoples would demand that the seas be kept open in time of war, since otherwise it would be possible for whomsoever he wished to take the control of the seas, to concentrate his forces, on whatever section he wished to crush it. The principle that should govern every section of the Empire in dealing with these matters is first to insure a united front being put forward by every branch of the British peoples, if one section is no longer able to maintain unassisted its task, powerful enough to insure the fulfilment of this first supreme duty which is the duty of the governments of these different sections—to their peoples—the maintenance of the control of the seas in time of war must be faithfully carried out. This consideration especially affects Australia. At the present time throughout our territories there are persons who are either regarding the fact that Great Britain will not continue for all time to discharge her great Imperial responsibility, or are regarding the fact that the defence of an island continent must be by sea. These people—and a league was formed in Sydney only the other day—were proposing some system of manhood citizenship. But it is obvious that such a system, although a splendid one in well-populated countries, could be of no use in a sparsely populated country like Australia. It is obvious that this citizen soldiery could not be concentrated on the points threatened, could not, for instance, be moved to the defence of Western Australia or Port Phillip.

Mr. MAHON.—Not without the railway.

Mr. KELLY.—Not without the railway, or even with the railway.

Mr. MAHON.—Give us the railway, and we will take the risk.

Mr. KELLY.—Now our partnership of free peoples with the mother country, which is the



of the whole Imperial fabric, six self-governing States, of which the Commonwealth is one, the great Possession India, with its dependencies, eleven important Possessions with partial self-government, eighteen Crown Colonies, two territories administered under charter, and seven protectorates. That is the reserve which we should be able to draw for our defence. Certain sections of that reserve, however, are obviously outside our control. But after the mother country has hitherto borne this high responsibility, there is not the slightest doubt that the six great self-governing Colonies have the biggest interest in the maintenance of our Empire and our individual freedom, and also the big capacity to contribute to the general defence. The great majority of all these Possessions have extensive sea-boards. All of them are faced by the ocean, and certainly to an invader be most accessible from that quarter if it were not for our Imperial control of the seas. It is clear, then, that any hostile expedition against any one section of the Empire can be attacked on the sea either at its point of departure or at the point of arrival. It is clear that if Australia, relying upon our navy "for defence only," were attacked, the attack would be in vain, resisted by the navies "for defence only" of Canada or South Africa. It is consequently, clear that if the Empire fails to present a united front to attack, each section will be taken piecemeal and destroyed at the enemy's leisure. It is obvious, then, that our only hope of defence is to attack the enemy when he is at his own bases; and the only chance to make such an attack fairly likely to succeed is by all sections of the British Empire combining together, contributing to a common navy under one control—a navy capable of blockading the coasts of whatever enemy or combination of enemies may threaten the existence or the integrity of our Empire. This fact has been acknowledged, and made clear by one who has studied the subject. The advocates of an Australian Navy recognise the essentiality of making the Australian coastline our frontier in time of war. It is admitted, further, as Captain Jellicoe says, that—

The great end of a war fleet is not to chase, but to control the seas. When speed, power, is a reliance, destruction may be post-

poned, but can be escaped only by remaining in port. . . . Not speed, but power of offensive action, is the dominant factor in war.

This very self-evident truth has led to a classification of all war fleets into—first, ships destined to act in common, which are called battleships by every people; ships that sacrifice speed to offensive and defensive power within their own units.

Mr. JOHNSON.—Speed is very necessary in the case of an attack by submarines.

Mr. KELLY.—Not very necessary, because no submarine has been able to exceed ten knots, and even battleships steam nineteen. It is the necessity for "controlling" the seas which has led to the designing of certain ships which are destined to act in common. It is admitted that those ships are the vessels which will decide the command of the sea. In addition to those, are other ships which are required to act as eyes and ears of the fleet, as may be necessary. Then other ships are required to protect our scattered floating commerce from the enemy's commerce destroyers. The class of ships, however, upon which the control of the sea depends, is the battleships class—ships destined to act in common. It is universally admitted that only an Imperial effort can furnish us with battleships sufficiently effective to maintain the control of the sea. It has been recognised, however, that these Imperial battleships, that will in time of war make it their objective at once to move on the enemy's bases and lock up his vessels in port, may be evaded by fast cruisers of the enemy slipping through this blockade with a view to afterwards preying upon our commerce. The Admiralty proposes to meet this contingency by an especially large construction of cruisers of different classes. It admits that an enemy's ships will occasionally be able to get through, and that, therefore, it is necessary to protect our floating trade and the different naval bases of the Empire throughout the world; but it also says that these raiding ships will play the part of the hunted more than that of hunters. They will be kept constantly on the move. For every cruiser of a possible enemy we are to have three or four—presuming that we have only one enemy—doing the work of hunting them down. It is obvious then that the enemy's cruisers would not be able to hold their own for more than a very brief period in any part of the world. Our own fleets are allotted so that an enemy's ships can be marked off and tracked down the moment war

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breaks out; wherever they appear word will be sent, and England's ships will be despatched after them. Therefore, the only thing that is necessary for us—this is the idea of the Imperial Navy School of to-day—is to make safe harbors of refuge throughout the world, wherein on the advent of such raiding cruisers, and during the brief periods of their visits, our own merchant shipping may shelter for the time being. I should like to give the House a few figures to show that the Imperial authorities have not been uncognizant of their responsibilities in this regard. The United Kingdom has building and built at the present time, 42 first-class cruisers, as compared with 33 by the next three naval powers combined, namely, France, Germany, and the United States. Great Britain has building and built 38 second-class cruisers, as contrasted with 24 second-class cruisers by the next three powers combined. Great Britain has 69 third-class cruisers—these being the eyes and ears of the fleet—as contrasted with 68 by the other three powers combined. So that, as far as cruiser strength goes, Great Britain has made the most generous allowance for the protection of her floating commerce in time of war.

MR. JOHNSON.—They are cruisers built for speed, and for the special purpose of protecting commerce?

MR. KELLY.—The cruisers that will be mainly used in this business of hunting down commerce destroyers, are first-class cruisers specially built for that purpose.

MR. JOHNSON.—I presume that that number does not include mail steamers, which may be used in time of war?

MR. KELLY.—No. Other powers may also use converted mail steamers. The point which I wish to make clear is that a great preponderance, as compared with the strength of other powers, has been maintained by Great Britain, in respect of cruisers which would be employed upon the duty of hunting down raiding ships. England has now no less than 42 first-class cruisers, whilst Germany has 6, France 14, and the United States 13. From this it is clear that the Imperial authorities are discharging their responsibilities in this regard in a way that is highly creditable. The Empire's main objective, however, is not to seek to evade the pin-pricks of passing raiding cruisers, but to secure inviolability from invasion of the different sections of the

Empire throughout the world. That can be maintained only by battle fleets does not matter how many cruisers there are on the high seas, because, wherever fleets appear, cruisers have to leave. It is clear at once to honorable members if we attempt to keep up communication means of cruisers, without the aid of battle fleets, any battle fleet of the enemy, upon the ports of destination, will be able to intercept all our commerce. That is interference in passing to the absolute necessity for battle fleets, on which the Empire inevitably rests. Having the objectives of the Empire, it is reasonable to concentrate all our forces on those objectives, so that the Empire's interests may be fairly secure when the crisis arises. Captain Mahan has said in this connexion:—

War cannot be made without running the gauntlet. When you have chosen your field for action, you must concentrate on it, letting your interests take their chance.

Then he goes on to justify the proposition in the following words:—

To do this, however, men must have courage, and conviction must rest upon knowledge, or else ignorant clamour and contagion will sweep away every reasonable test of military experience.

That is the position briefly, and it is not to be feared, rather ineffectively put, from the point of view of the Imperial Navy School. What do the Australian advocates recommend? And if they do they depart from the principles laid down? All Australian Navy advocates admit the essentiality of the control of the seas in time of war; and they admit that that control can only be maintained by an Imperial, or, as they say, a British, fleet acting off the coast of the enemy. They appear to think that this naval control can be assured by the land acting alone in the future, just as it has been assured and maintained in the past. Is that presumption fair?

MR. CARPENTER.—The honorable member is the first one I have heard of making a presumption.

MR. KELLY.—The honorable member is reading must, I think, have been a little more meagre. If he had taken the trouble to read, first of all, the series of lectures written by the chief exponent of the Australian naval system, Senator Mahan, he would have seen that pres-

roughout. And, further, the honorable member will find the same presumption in every report of Captain Creswell. I can only attribute the interjection to want of knowledge of the facts. What I ask now is whether this presumption is a true one. We know that the potentialities of naval armament depend on the commercial capacity of the people maintaining that armament. We know that England, all through the last century, enjoyed a trade security and confidence, first of all, through having possession of the seas, and, secondly, through not being subject to the wars, rumours of wars, revolutions, and invasions which harassed enterprise on the Continent from 1515 to 1870. Since 1870, however, foreign powers have been catching up by leaps and bounds the great lead which England obtained through enjoying local commercial security at the beginning of the steam age, when the great expansion of commercial enterprise in the world commenced. The immense advance recently made in this connexion by Germany and the United States has been the subject of very keen, and almost bitter, controversy in England during the last few years. It is not possible for England, with her small area of only 120,000 square miles, and her comparatively small population of some 42,000,000, to be always in a position to be richer than any two or three powers combined. How can England, with her small area and population, hope to be always in a better position commercially—and, therefore, materially and militarily so far as potentialities go—than Germany, with 211,000 square miles, and a population of 56,000,000, or the United States, with over 3,000,000 square miles, and a population that is possible of almost unlimited expansion? It is only a question of time when foreign powers will find it possible to outvie England for the command of the seas. What is the actual position of England's naval efforts, as contrasted with the efforts of foreign powers? The estimated expenditure for the years 1894-5, 1899-1900, and 1904-5—these are quinquennial periods, but the expenditure applies, of course, only to the single years—on the part of Great Britain, Germany, and the United States, are as follows:—The total estimated expenditure in Great Britain in 1894-5 was over £17,360,000, as contrasted with an estimated expenditure in Germany of £4,137,000, and in the United States of £5,577,000; the estimated expenditure in Great Britain in 1899 had

increased to £26,594,000, as contrasted with £6,485,000 in Germany, and £9,678,000 in the United States; and in 1904-5 the estimated expenditure in Great Britain had increased to no less a burden than £36,889,000, as contrasted with £11,059,000 in Germany, and the extraordinary increase in the United States to £21,137,000. In the ten years, while the naval expenditure of Great Britain increased from £17,366,000 to £36,889,000, the increase in Germany was from £4,137,000 to £11,059,000, and in the United States it was from £5,577,000 to £21,137,000. These figures show that England is being very rapidly caught up in the race for naval supremacy. Perhaps the figures are more significant if the contrast be made with the expenditure of the two great powers combined. While in 1894 the expenditure of Great Britain was £17,366,000, that of the two powers was £9,714,000; in 1899, while the expenditure in Great Britain was £26,594,000, that of the two powers was £16,163,000; and in 1904-5, while the expenditure of Great Britain was £36,889,000, that of the two powers was £32,197,000. It is very clear, from those simple figures, that foreign armaments are rapidly catching up the British armament; and unless Great Britain is assisted in some way, the command of the seas must inevitably be wrested from the British Empire. In the matter of new construction, the figures will be found to vary in somewhat similar proportions. In 1894-5 Great Britain spent £4,814,000 on new construction, whilst the two Powers just referred to spent just over £3,177,000. In 1904-5 Great Britain spent £12,098,000, and the two Powers £10,922,102. In this there is a further indication that England's supremacy is by no means as assured as some honorable members seem to think. Now, how has Great Britain maintained her position in the matter of actual ships? I have already shown the House that superiority in battle-ships is the only test of actual power to control the seas. How has England maintained her position in this regard? England now has no less than 41 battle-ships, as compared with 41 battle-ships possessed by the next three Powers combined—France, Germany, and the United States. In 1905, therefore, the power of Great Britain in respect of battle-ships is equal with that of the next three Powers combined.

year, 1906, Great Britain will have 45 battle-ships, as contrasted with 50 battle-ships possessed by the next three Powers. She will, therefore, by that time, have dropped out of the running when opposed to a combination of the next three Powers. In 1907 the position will be still more alarming, because England will then have only 48 battle-ships, as contrasted with 63 battle-ships possessed by the next three Powers, and she will in that year have lost any hope of successfully coping with a combination of those three Powers. But ship for ship, she will be almost unable to cope with the next two Powers combined. Between them, in 1907, they will possess 46 battle-ships, whilst England will possess only 48. When honorable members recognise that it has been definitely laid down that it requires, generally speaking, at least six battle-ships to blockade four, it will be obvious to them that in 1907 it will be impossible for the United Kingdom to maintain that blockade of the foreign ports of two combining Powers which is essential to the protection of the sea-carried wealth of the whole Empire.

Mr. CARPENTER.—The honorable member's statements show what nonsense that doctrine is, when it is analysed.

Mr. KELLY.—That may be the honorable member's opinion. I now come to deal with what will probably concern the honorable member for Fremantle. If the facts to which I have been referring were not in themselves worthy of our serious consideration, we have, in this part of the world, a new problem to consider in dealing with the defence of Australia. We are now within striking distance of one of the world's great naval Powers. Before the late war the naval armaments of Russia and Japan could not well be withdrawn from the far East from fear of the consequences to either of those Powers resulting from the absence of its navy from those waters. But now Japan has a very powerful fleet, and as it has no other fleet to watch in the Eastern waters, it can be sent anywhere, and it is capable of doing very much, far more than we in Australia could ever hope to cope with. I hope that such a thing will never come to pass; but let us suppose, for argument's sake, that England and Japan, instead of being allied, will, in 1907, be at war. I select 1907, because that is a fixed date at which we are in a position to calculate the number and power of the vessels which each of these nations will have. Let

us suppose that in 1907 England is at war with Japan, and that there are complications ensuing with several other Powers. England will have 48 battleships, as opposed to 39 by France and Germany. It is hard to conceive that, on such a set of circumstances arising as would promote hostilities between Great Britain and two Powers, it would be impossible for any of England's ships to be withdrawn from their supreme duty of watching the movements of the fleets of the other Powers, so that on any outbreak of hostilities occurring, they may be unable to speak, to catch the needle—before it gets into the haystack of the open ocean. In such a contingency, if we have supposed, England would be unable to send sufficient, if any, of her ships into Eastern waters, and therefore, so, it must be obvious that Australia would be absolutely at the mercy of the Eastern Power. Australia would not know, as indeed she knows now, that she has not the slightest possible hope of coping with Japan unaided. We know that 4,000,000 of people cannot control a fleet of the magnitude and power of that possessed by Japan.

Mr. JOSEPH COOK.—Then it is a fact that we can beat the world?

Mr. KELLY.—I am proving that we cannot, and that it is now necessary that the Empire as a whole should provide for its defence, and that this supreme duty cannot be left entirely to the United Kingdom. The people of the Australian Commonwealth know well that they must take, and should long ago have taken, a hand in securing Imperial defence, and their naval contribution is a proof of their recognition of this position. Great Britain, I have said, is becoming year by year less and less dominant from a naval point of view. We have shown that the United Kingdom cannot continue to bear unassisted the responsibility of Imperial protection, and that the moment Imperial protection lapses the Commonwealth of Australia collapses with it. Without looking to the East for possible enemies, we know that there are earth-hungry nations in the old world. One of them, Europe, is hungrily looking for the expansion of her overcrowded empire. We know that that Power at

d to Southern Brazil for an area for expansion. We know, also, that the United States of America put into operation the Monroe doctrine, and in order to carry it out it has within the last few years built up a fleet that may now be safely reckoned to be as the second fleet in the world. Any, the European Power I refer to, has necessarily turned her view from Southern Brazil, and is now looking to the Dutch Colonies in the East for the acquisition of territory she requires. We know that if the opportunity offered, the European Power would have no hesitation in taking such territory of this Commonwealth as it suited it to take. Knowing that we could do would prevent us, therefore, we in Australia have to turn ourselves, not only with the eyes of the East, but also with the eyes of the old world. We have an immense territory which is sparsely populated and practically undeveloped. Australia is waiting for population, and such territory would be taken possession of to-morrow by foreign powers if it were not for the Imperial protection which we enjoy. In view of all these circumstances, it is obviously our duty to ourselves, as well as our duty to the Empire, to assist the United Kingdom in her Imperial responsibilities. Australia must take her true place in the Imperial partnership. Honorable members in the corner, who proudly assert the possibility of creating a local navy, can hardly deny that we are in a position to contribute our quota to Imperial defence, and can be proved to our interest, and be in accordance with our wish, to do so. The value of Australia at the present time amounts to almost £33,000,000, and her commerce trade, which is protected only by the Imperial Navy, to £86,000,000.

**CULPIN.**—Does the honorable member include the railway revenue?

**KELLY.**—Certainly; the whole value. The honorable member must remark that England has her public debt contracted, not for her own development, but to maintain the security of the whole Empire, a debt which at the present moment is only just short of £800,000,000; and when she has to pay interest, just as we have to pay interest on our debt. Therefore it would be unworthy of us to add—as an argument why we should refuse to shoulder our proper obligations, that we should not pay interest on our public debt—not contracted solely in the develop-

ment of our own resources. Australia, if she so wishes, can pay her fair share towards the defence of the Empire. But I hope that before anything is done in that direction, an effort will be made by the Commonwealth Government to bring about the adoption of a proper Imperial basis for contributions to naval defence, a basis upon which each of the self-governing sections of the Empire can play its part. The Prime Minister, at the commencement of my remarks, asked, in effect, "Why does your motion propose that our naval contribution be increased, if you do not particularly wish it to be done?" I have moved in this direction because I think it very necessary that the attention of Australia should be at once directed to her obligations in this regard, and also to the new factor in defence considerations which has arisen by reason of the creation of a new first-class naval power in the East—a factor which makes us more than ever dependent on the Imperial Navy. I hold that the only way in which we can effectively direct the attention of our people to these matters is to make some such proposal as that of doubling the naval subsidy. The doubling of the subsidy would not appreciably increase the battle power of the British Empire, but the fact that some members of this House think it necessary to double the contribution will convince the public that there is a definite reason for considering anew the whole question of Imperial and naval defence. I have not the slightest fear that, when the people of Australia have had both sides of the naval defence question put to them, they will prove their common sense by having nothing to do with a system under which our naval defence will be controlled by two authorities. I wish now to say a few words about the arguments of the various advocates of an Australian Navy, who may be divided into two schools of thought. One of these is in no way irreconcilable with the general principles I have put forward as those which should govern the naval defence of the Empire. The other school seems more concerned in attempting to provide work for the excellent officers whom we have already in our employ than in establishing a local coastal defence. I will deal with these two schools of thought consecutively. The adherents of the first school, while recognising the need for the protection of



the Imperial Navy, wish to establish local naval auxiliaries for coastal and harbor defence, as, for instance, torpedo boats or destroyers for use in waters such as the passage within the Barrier Reef, where, no doubt, they would be very useful if, indeed, the occasion ever arose for taking advantage of their services. These gentlemen also wish to establish a body of Australian trained seamen, who would be of use afterwards in connexion with Imperial defence.

Mr. HENRY WILLIS.—Is not that a good thing?

Mr. KELLY.—It is an excellent thing, as I shall show later on. In dealing first with the proposition that naval auxiliaries should be created for harbor defence, I wish to quote the following conclusive sentence from page 287 of Captain Mahan's *Lessons of the War with Spain*:—

For mere harbor defence, fortifications are decisively superior to ships, except where peculiar local conditions are found.

The peculiar local conditions referred to are the existence of entrances too wide to enable harbors to be properly defended by mine-fields. Captain Mahan concludes that fortifications are superior to ships for these reasons: It is the duty of a ship, he says, to go wherever she may be wanted to go. The first consideration in connexion with a vessel is her mobility—I do not mean her speed, but her power to go wherever she may be required—consistent with offensive power. At harbor mouths, however, where the enemy's vessels must come to you, you can pile up an infinitely greater defensive power on land than it would be possible to provide on the sea. A ship has only a certain floating power. Her armour, for instance, must not be of more than a certain thickness if she is to float at all; whereas, on shore, fortifications may be constructed of any strength that may be desired. Therefore, Captain Mahan concludes—and his conclusion is obviously founded upon common sense—that, for harbor defence, fortifications on land are superior to defences at sea, which have not a sufficient radius of action to make them truly naval in their operations, nor sufficient strength to make them equal to fixed land defences. Practically all that is required to bring that school of thought which desires the creation of an Australian Navy as an adjunct only to harbor and coastal defences into line with the Imperial naval school,

is the recognition of the principle of "undivided control of naval effort" is absolutely essential to the success of that principle. I think this fact will be readily recognized when it is remembered that absolute command of the sea by a single class of vessel so rapidly becomes obsolete, or requires such a highly-trained personnel, as that which is proposed for this purpose of naval defence, namely, torpedo boats, torpedo boat-destroyers, or submarines. The latter, of course, would be of no use for defence, but merely for the purpose of attack.

Mr. DEAKIN.—We are told that the best way of defending ourselves is by being first.

Mr. KELLY.—The Prime Minister understands me. The submarines are now being built for France and intended to be used in attacking the ports in the Channel.

Mr. DEAKIN.—Or for attacking the vessels that might attempt a blockade.

Mr. KELLY.—Yes, but I would point out that if ever any hostile fleet is able to blockade our Australian ports, it is not that command of the sea has been lost, and that the whole of our defences must collapse. If an enemy ever came here in sufficient strength to blockade our ports, he must have previously attained command of the sea; the moment he succeeded in that, he could occupy our territory and do what else he willed. He could do whatever he liked with us if the Navy once lost command of the sea. It is admitted that Australian torpedo-destroyers or vessels of that class would very rapidly deteriorate in efficiency if they were allowed to remain isolated for a long period. It is well known that the British Navy—and we could select a better force for the purpose of comparison—that isolated ships are never so efficient as ships of similar class on immediate stations. For instance, the Imperial fleet in these waters is not so efficient in discipline, or in any of the elements of attack, as a fighting force, as are ships of similar power belonging to the Channel fleet or attached to the Mediterranean station.

Mr. FISHER.—How does the hon. member account for that?

Mr. KELLY.—For the obvious reason that where a large number of ships are gathered together keen competition exists between the various officers and crew

ger *esprit de corps* characterizes each. Consequently, each ship becomes in the highest degree efficient. Where, however, a ship is shut off from all others, and spirit of emulation is not encouraged, the vessel must lose in general efficiency.

SALMON.—Would that not be to some degree due to the great distance from central control?

KELLY.—No, because the central of a fleet is vested in the Admiral's station. For instance, the Admiral of the Australian station has the control of the squadron, and is responsible for its efficiency. The efficiency of the Australian station, although very high, is not quite what it is as the efficiency of the Channel and Mediterranean squadrons, owing solely to the fact that there is not the same scope for a strong spirit of emulation between a few ships composing the squadron. Emulation is immensely strong in its effect upon efficiency. The view that I am putting forward would be supported by every executive officer on the Australian station.

SALMON.—Would not the officers in putting forward that view be excusing themselves?

KELLY.—No. Those officers, if transferred to the Channel or Mediterranean squadron—and they are consequently being relieved in order to insure general efficiency—would, in a very short time, bring themselves up to that standard which is maintained among officers who are now with the squadrons mentioned. I am merely stating the value of experience in connexion with isolated vessels, which have no opportunity of manoeuvring in company.

HENRY WILLIS.—Did not Kipling say that during the week that he was with the British squadron on the coast of Canada, very keen competition existed amongst the crews?

KELLY.—There is keen competition among the men under any circumstances, but there is a difference in degree. Where you have very few ships upon a station the competition cannot be so keen as where there are a large number. On the Australian station, for instance, we have only one first-class cruiser, and there is no other ship for her to pit herself against. On the Mediterranean station there would probably be a number of first-class cruisers of different types, and there-

fore great scope for the influence of the spirit of emulation.

Mr. SALMON.—Do the men fire against each other?

Mr. KELLY.—They fire against each other in the sense that competitions are held. The science of war, whether it be on sea or land, is one of the most progressive, and I think that honorable members will recognise that the only way in which we can maintain high efficiency is by constantly exchanging the officers of such forces as the advocates of an Australian Navy propose, for other officers of the Imperial Navy, drawn from all parts of the world. In other words, the officers of the Australian Navy, whether that navy be designed for coastal defence, or any other purpose—and I am sure it will never be of use for anything but harbor defence—must be officers of the Imperial Navy. We should be able to bring new men out every couple of years, and send those of our men who had become slack to the centres of naval activity, so that they might be brought back in due course in a state of the highest efficiency. That is the policy adopted in the Imperial Navy. The men are transferred from station to station, so that they shall not become slack owing to their remaining too long in one place.

Mr. STORRER.—That is not saying very much for the officers.

Mr. KELLY. — That is no reflection upon the officers, but upon human nature. The principle that has been adopted by the British Admiralty to insure efficiency all over the world must be followed by us, and we must have Imperial officers to man our ships, if we are to have a navy as an adjunct to our coastal defence. If the advocate of the coastal defence school which I have been mentioning once recognises this he will readily become reconciled to the idea of one control for naval effort in whatever part of the Empire it may be. I shall now deal with the type of Australian Navy advocate who wishes, I fear, to start an Australian Navy as a kind of asylum for his friends. I do not wish to say anything invidious or anything reflecting seriously upon persons who during the past six months or so have certainly shown themselves excellent political propagandists; but I propose to deal first with one who has taken it upon himself to become the mouth-piece of this particular school of Australian Navy advocacy. I refer to a gentleman who has

not even hesitated to lift up his voice in London in defence of the principles which he advocates. I allude to Senator Matheson. That gentleman has not scrupled to make all naval authorities his own, irrespective of whether they believe in the principles which he has laid down, or whether they do not. In this connexion I propose to read a quotation by Senator Matheson from a passage by Captain Mahan. I shall give the quotation in conjunction with its context, and I shall leave honorable members to decide whether or not that quotation was honestly made. I shall then ask the House to say whether a good cause would require to be bolstered up by the adoption of such methods. Senator Matheson, in a paper which he read some years ago, before the Royal Colonial Institute—so the matter was well considered—in advocating the establishment of a fleet of sea-going cruisers for use around the Australian coast, spoke as follows:—

If local defence is desirable at home and for the mother country—

Local defence of the type the senator wants for Australia is not desirable at home and for the mother country, and nobody knows that better than does Senator Matheson—why should it be condemned when Australia is concerned? Why, what does Captain Mahan himself say on the question?

Senator Matheson then quotes Captain Mahan as follows:—

San Francisco and Puget Sound, owing to the width and great depth of the entrance, cannot be effectually protected by torpedoes, and, consequently, as fleets can always pass batteries through an unobstructed channel, they cannot obtain perfect security by means of fortifications only. Valuable as such works will be to them, they must be further garrisoned by coast defence ships, whose part in repelling an enemy will be co-ordinated with that of the batteries. The sphere of action of such ships should not be permitted to extend far beyond the port to which they are allotted—

Of what use would they be in Port Darwin, which is one of the places that Senator Matheson desires to protect? Captain Mahan, it will be seen, was talking about a local vessel, which might be of service, perhaps, in Port Phillip Bay, if it could not be defended by mines. The quotation continues:—

and of whose defence they form an important part, but within that sweep they will always be a powerful reinforcement to a sea-going navy when the strategic conditions of the war cause hostilities to centre round their port. By sacrificing power to go long distances, the coast de-

fence ship gains proportionate weight of guns—that is, of defensive and offensive. It further adds an element of unique value to the fleet with which it for the time acts.

That is to say if the fleet is to act immediately round the mouth of the harbor these ships are designed to do so. Senator Matheson asks, what does Captain Mahan himself say about the use of sea-going cruisers to be used in or around harbor mouths, or around the coast of Australia, which extends for about 8,850 miles, and which constitutes as big a radius as any sea-going vessel is usually given. The context shows, the quotation given by Senator Matheson shows, that Captain Mahan was intended to be used to localized defence, which was used only in conjunction with the land forces. Yet Senator Matheson wishes it to be used in connexion with the defence of the country. We all know that in Australia there are very few ports, if any, which can be defended by mine fields, so that the quotation from Captain Mahan is applicable to any port in the Commonwealth. It is a curious commentary upon the statement of Senator Matheson that Captain Mahan himself had occasion to protest against this type of misrepresentation. In his *Fallacies Upon Naval Subjects*, he says as follows:—

So far does this (misrepresentation) go that I have had the experience of the present writer that on the most reputable journals in the country (the States), in order to establish a certain position, quoted my opinion in one paragraph while omitting to give the carefully qualified qualification expressed in the very next paragraph; whereby was conveyed, by implication, the endorsement of the extreme position advocated, which the present writer has never held.

We all know that certain senators representing Western Australia, who are not of the ranks of the Labour Party, are compelled by the exigencies of their position to prove to their constituents how essential are they to the Commonwealth at large because of their advocacy, particularly of some particular academic subject. That State cannot very well do without them at the next election. Senator Matheson chosen an Australian navy as the basis of his special advocacy. I ask honorable members if he is to be allowed to put every naval authority his own, to use them without giving the context, to misrepresent the opinions expressed by writers upon naval subjects? I think that my words are a bit too strong when I consider the effect which the

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from Captain Mahan, the great naval authority of the past century, is likely to be upon the minds of people who, in the absence of its context.

HENRY WILLIS.—Captain Mahan made his views upon the defence of Australia very clear in another book.

KELLY.—Of course he has. I am merely dealing with the quotation which is made from that authority by Senator Matheson. Here is an opinion by Captain Mahan which is especially applicable to Australia at the present time. Honourable members are aware that for a time the United States went in for building coast defence monitors—vessels with a short range but possessed of comparatively great gun power and armour capacity. These vessels, Captain Mahan says—

"the opinion of the writer that no more of these should be built, except as an accessory defence of those harbors where submarine attack cannot be depended upon—as at San Francisco and Puget Sound. It should be added that the monitor at sea rolls twice as rapidly as the battleship, which injuriously affects accuracy of fire, and is, offensive power."

The type of vessel which Captain Creswell recommends is one which would have great gun power as would make her unseaworthy in a heavy sea. Captain Mahan says—

"The general principle of the decisive superiority of offensive power over defensive is applicable throughout—to the operations of a war, to the design of a battle-ship, to the scheme of organizing a whole navy. It is to the erroneous notion of mere defence that we owe much of the existence of the monitor, and some of the insistence upon heavy armour; while the cry that went up for a more powerful naval defence along our coast—

is the policy that we hear in Australia—

"The Empire was threatened in the spring of 1898—

and the war with Spain—

"an ignorance of the first principles of naval warfare, which, if not resisted, would have left the Empire in a perilous position even before Spain."

It is the opinion, in unmistakable terms, of the authority quoted by Senator Matheson, in support of his contention that these vessels should be scattered round the coast of Australia on the very principle which Captain Mahan himself so scathingly criticised when applied to his own coun-

HENRY WILLIS.— Captain Mahan referring to the deficiency in battle-ships in America.

Mr. KELLY. — Exactly. I have already shown that the Empire will shortly be deficient in battle-ships, and explained the necessity which therefore exists for all sections of the Empire to take a hand in securing battle-ship strength. So much for the mouthpiece in another place of the Australian Navy project. But we need not go further than the report to the Senate of the Naval Director, Captain Creswell, to show how absolutely fallacious is the principle of an Australian Navy for local defence. I do not like to say anything about a member of the Commonwealth service who, in the past, has proved himself a good officer. Such an officer has naturally much difficulty in replying; but the misrepresentations put forward by the advocates of an Australian Navy are so extensive that I feel I must deal with the question in a straight-out, direct way, as directly as if Captain Creswell were present in the House to reply to my contentions. I deeply regret that he is not, because I welcome nothing so much as a complete elucidation of all these matters. In his report to the Senate, dated 7th February, 1902, Captain Creswell writes as follows:—

"From the Imperial stand-point the case is equally strong. The life of the Empire depends on the fleet; any strengthening of the fleet adds to the security of the Empire. Australia is the only considerable dependency that is . . . in a position to concentrate her attention on sea forces and add to the fleet strength of Empire."

And yet Captain Creswell knows as well as does any man that the few miserable cruisers, costing £300,000 each, which he suggests for local defence, could not add one iota to the fleet strength of the Empire, and would not benefit it in the slightest degree. That being so, why should he include such a statement in a report to the Senate? Captain Creswell also knows, as well as does any man, the necessity that exists for homogeneity in the construction of fleets; he is undoubtedly aware that that is a principle which has been followed to the very letter by every naval power. He knows also that the creation of a separate Australian Force, while opposed to the opinions of all naval authorities at the present day, must inevitably lead to a want of homogeneity, and consequent depreciation in efficiency, in the Empire's defence, which he himself admits seriously needs augmenting. As a proof of the seriousness of the arguments which Captain Creswell adduced in this report, I propose to make a

further quotation, showing the test which he gives of the efficiency of the force which he now has under his command. I do not wish for a moment to impugn the efficiency of that force, because, if it be in any way lacking in that respect, it is not from want of enthusiasm on the part of those composing it. But this is the proof which Captain Creswell gives of the efficiency of the force he already commands—

The *Protector*, under this system—

The system which he proposed for an Australian Navy—

was manned and ready to leave for China in three days. On arrival in China, the Commander-in-Chief reported that the *Protector* was most useful, being an efficient and well-kept man-of-war, reflecting credit on captain, officers, and men.

He goes on to say—

Her engine-room staff, largely made up of reserve men, steamed her 16,000 miles in four months—

That is exactly what the China Navigation Steam-ship Company's vessels do all the year round without bragging about it—

and she returned without defects. The system of reduced permanent crews and reserve has thus been fairly tested.

That may be very valuable information to embody in a report on this question, but to my mind all that it proves is that the *Protector* paid a visit to foreign waters, asked for an opinion, and was naturally complimented. It would be just as idle to treat that expression of opinion on the part of the British officer as a serious one as it would be absurd for a woman to boast, on returning from a visit to a chatty friend, that she had been told, in answer to an inquiry, that she was "looking perfectly lovely, my dear"—or something to that effect. The opinion quoted by Captain Creswell in regard to the *Protector* can be of no real value as showing the efficiency of his force when compared with that of other powers. As Captain Creswell has told one story of the visit of the *Protector* to eastern waters, I think it will not be inappropriate to tell another. When that vessel was in port at, I think, Hong Kong, the captain of one of the British ships there accepted an invitation to dine with Captain Creswell. When he came alongside the *Protector*, however, he found that there was no one to receive him. There was no one on duty, but after boarding the vessel, and seeking for some time to locate the skipper, he at last discovered some one who directed him to where he

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was to be found. Captain Creswell, naturally very distressed on learning the not too courteous treatment of his guest, apologised in profuse terms. His guest, however, was in a generous mood, contented himself with saying, "Well, well, why worry about a thing like that? It is not as if your ship were a real war."

Mr. HUME COOK.—Who is the able member's authority for that statement?

Mr. KELLY.—I have told the hon. Captain Creswell, and he does not doubt its accuracy. When I mentioned it, he entered upon an extensive recitation. It happened that there was no one on duty and no one to receive the British officer, but he did not deny the main facts of the further incident in the history of the *Protector*. The next proposal in this connection by the Naval Director is to increase the gun power of these vessels at the expense of their radius. He says—

Service in Australian waters would be at any great distance from a base.

Surely that is a very curious statement to be made by that officer? He might as well say, "I will move the ships, according to another proposal, to the advocate of an Australian Navy, round Darwin, or to Western Australia at the Government's notice! If he had to take the ships to those points, he would have to travel at least 3,000 or 4,000 miles. Should we find that this short service in Australia "would not be at any great distance from a base"? Three or four thousand miles as great as the normal coal capacity of most of our smaller cruisers. Yet Captain Creswell proposes to curtail the radius of his proposed vessels because they "would not be required at any great distance from a base." Which of these arguments is the correct one? Is this to operate in Western Australia or in Darwin, or is it to operate in the neighbourhood of Sydney and Melbourne, and not more than a stone's throw therefrom? We have one definite statement made by the hon. member, that the ships are to be used round Sydney and Melbourne, we have the authority of the best naval expert extant against the proposal. And if the ships are to be based at Port Darwin and Western Australia, it is obvious, on Captain Creswell's own showing, that they could not go there in the emergency arose. In the same way he says—

Any future naval war, it is certain, would be waged against a combination of naval

is most unlikely that any single power will undertake the task. Great and powerful as the British Fleet is, it will be taxed to the uttermost to cover and protect a world-wide commerce, which is the life of the nation—

have already shown that the Empire is making adequate preparations to protect its commerce on the seas—

at the same time to carry on the heavy work of the major operations of war in Europe. The needs of powers that have little or no commerce to defend, and maintained for purely aggressive purposes, are rapidly increasing. Absolute and complete dependence by Australia upon the British Navy, situated as we are at the extremity of the Empire, will add to that strain.

That argument could be better put, not as supporting a local navy—which could be of no use if the Imperial Navy failed to do its object, and which could be of no help to the Imperial Navy if it did not fail to do its object—what better argument could be put forward, not that Australia should have such a navy, but that it should forthwith take up her share of the responsibility of Imperial defence? As if that statement in itself were not sufficient to damn the whole scheme, we find that in the same report the Naval Director proposes that at the time of war this Australian Navy should be put under the control of the Imperial Admiral on the Australian station. Why does he advise this? Because he realises, as every sane man must, that confusion of command in war time breeds, as no other thing can breed, inefficiency. The nature of war, especially naval war, is action. Confusion of command entails inaction. Therefore, Captain Creswell advises putting the Australian Navy, which he wants to see established in peace time, under Australian officers and Australian control, at the time of war under the control of the Imperial Admiral of the station. But if divided control in peace time is a good thing, why not in war? Are not our forces in peace time supposed to be preparing for the stern realities of war? If unity of effort in action is deemed to be essential for success, why not unity of effort also essential in the preparation for that action? Certainly, Captain Creswell's proposals would not seem to be based on logical considerations. And, again, the Australian Navy, which, in its preparation for war, would be under the control of some Australian—shall we say?—Admiral, would be responsible for its discipline and general efficiency to him, and he would be for it to the Commonwealth. Now, discipline and efficiency spell capacity for action, and we all know that

every commander, to be successful, must know intimately the capabilities of the force committed to his charge. Want of knowledge of the potential limitations of the forces under his command cramps a commander. Over-estimation thereof precedes disaster in action; under-estimation induces inaction—an alternative rendered equally disastrous by the exigencies of our naval position. Generally speaking, the man who should be in the best position in time of war to direct the operations of the Australian Navy would be the man who had supervised its preparation for war—and yet Captain Creswell advises otherwise. He recognises, as every one must recognise, that in war, as in everything else, too many cooks spoil the broth. I shall leave the House to form its own opinion as to why he does not think that too many cooks—or Admirals—would spoil the preparation of that broth. Before I leave the question of dual control, I should like to give an instance of the danger which might result from the operation of that principle. Immediately after the unfortunate outrage on the Dogger Bank, at which time the *Challenger* happened to be at Port Melbourne, instructions were wired to the British Fleets, wherever stationed, as a matter of ordinary course, to be in readiness for all eventualities.

MR. GROOM.—When was that made public?

MR. KELLY.—I am stating it now on my own responsibility; and, privately, I shall tell the Minister my authority, which he will not refute.

MR. PAGE.—Are not the warships on the station always supposed to be prepared for eventualities?

MR. KELLY.—There are some things which the honorable member will see, on reflection, have to be done. For instance, there is a certain amount of top-hamper which has to be taken off a week or two prior to hostilities beginning.

MR. PAGE.—That would take a very short while.

MR. KELLY.—That is one of the things they were instructed to be prepared to do. By a curious combination of circumstances, within a few hours of the commander of the *Challenger* receiving that message, a torpedo boat was seen to approach the mouth of the Yarra. He at once signalled to the torpedo boat to stand off. She was flying no colours to show what she really was, and the warship had

not been long enough on the station to identify her. In spite of that signal from the Imperial ship, the torpedo boat stood on. Whether she did not understand the Imperial signal, or was keeping no watch or look out, I do not know. But whatever the explanation may be, she stood on, and if it had not been for the common sense of the British commander, she might have been blown out of the water. His orders were definite—to be prepared for all eventualities. But he recognised, I dare say from the fact that his signals did not make much impression upon this local torpedo boat, that she must be a vessel belonging to the Australian service. Whatever the explanation was, he did not fire upon her. It is rather an absurd incident, which should not have happened, but having happened, I think it is the best proof that this House could have of the absolute folly of having dual control in naval matters, either in the preparation for action, or in action itself.

Mr. HUME COOK.—There should be no dual control in Australian waters.

Mr. KELLY.—Then who should control?

Mr. HUME COOK.—The Admiral on the station, I suppose.

Mr. KELLY.—If the Admiral on the station is responsible for the forces under his command, should he not be responsible for the discipline of the forces? That is very clear.

Mr. PAGE.—One would expect that.

Mr. KELLY.—One would certainly expect it. But that apparently is what Captain Creswell did not expect that this House would have the intelligence to perceive.

Mr. PAGE.—That is too severe.

Mr. KELLY.—I do not wish to take up much further time, but I should like to mention, before I sit down, that an Australian Navy argument has recently been founded on the withdrawal of the British battle fleet from the China station. That fact has been used to support the creation of a few small cruisers on the coasts of Australia. It has been represented as though the English battle-ships were withdrawn from the China station because, at the present time, Great Britain had no hope of coping with the power of Japan. I think that the people who put forward that argument must know full well that the reason why British battle-ships have been withdrawn from Eastern waters, is that it is now in European

waters that they are required to visit the fleets which may in future menace the interests of the Empire. Japan is an enemy of Great Britain—and I think that the people in Australia ardently hope that they will always remain our ally—and therefore consequently no fleet in Eastern waters. That the Russian fleet has been destroyed for these British battle-ships to visit. Therefore, they have been withdrawn to other stations to which they have been allotted, so that they may, when the time comes, be brought into action at once against the forces with which they will be called upon to fight.

Mr. PAGE.—The French Government still has a China squadron.

Mr. KELLY.—The British cruise the China seas are quite capable of coping with the French or any other squadron in those waters.

Mr. McCAY.—The British Admiralty has simply taken some British ships away.

Mr. KELLY.—There are no battleships to watch, but there are cruisers to watch and therefore the Admiralty has left the cruisers to watch them, and the cruisers are thoroughly capable of carrying out that duty.

Mr. PAGE.—Vessels on which the British flag flies are generally capable.

Mr. KELLY.—Exactly. Therefore the argument for creating four small cruisers because England cannot protect us against Japan, is simply ridiculous.

Mr. HUME COOK.—Where was the argument seriously put forward?

Mr. KELLY.—It was seriously put forward in Sydney by a brilliant exponent of the idea of the establishment of an Australian Navy, namely, Mr. F. J. O'Sullivan, who, I understand, sees a magnificent prospect of large loan being expended as the result of such an effort.

Mr. HUME COOK.—One might have thought that it was a Sydney opinion.

Mr. KELLY.—I only wish to say, in regard to this phase of the question, that the Imperial Government cannot protect Australia, certainly an Australian Government cannot protect her. Great Britain, at the present time, has, built and building, 11 first-class battleships, 11 second-class battleships, 6 third-class battleships—in all, 65. She has, built and building, 42 first-class cruisers, and other cruisers making a total of 149. She has 31 torpedo

boats, 144 destroyers, and 189 torpedo craft of different classes. If Great Britain, with that immense armament, cannot maintain command of the seas, it is of use trying to create such a force here as can compete with the forces that will have ousted it from her, when they afterwards attack these waters.

Mr. HUME COOK.—Why should we pay a greater amount unless there is to be water protection?

Mr. KELLY.—There is greater protection. Every ship that is added to the Imperial Navy adds to the protection of Australia.

Mr. HUME COOK.—What is the difference between adding ships in English waters and adding them here?

Mr. KELLY.—The difference is, that we have them here we have them where they are not wanted. If the Imperial Navy is overwhelmingly successful, absolutely no hostile ship will be able to come to port, and there will be no ship in the waters for an Australian Navy to get away from. That is one position.

Mr. HUME COOK.—The honorable member misses the point.

Mr. KELLY.—Take the other position. Suppose that some of the enemy's cruisers are able to get away from the British Fleet, and say that those cruisers do not care to come to the coasts of Australia. Suppose that, from their own bases, they interfere in our commerce along its trade routes. What use for rooting out those hostile ships would be an Australian Navy, limited to the Australian seas? It is Australian trade which would have to be protected, and the Australian Navy could not be utilized to protect it. Take it that the commerce destroyer of an enemy has been successful in raiding the British Fleets, and makes a landing on the coast of Australia—I have already told the House that England has made preparation to meet such contingencies, and that, owing to the immensely preponderating strength of British cruiser strength, no enemy's ship would be able to stay more than a very short time in any particular place. It would not be able to stay for any time whatever on the Australian station—*qua* Australian station. It would have to keep moving constantly.

The honorable members consider that British first-class cruisers will number in 1917 forty-two ships, as opposed to the thirty-three of the next three naval Powers. We leave out of the reckoning the United

States—with which country I hope we shall never be at war—Great Britain has twenty-two cruisers over the strength of France and Germany—a preponderating strength of over two to one. There is not the slightest doubt that British ships would be able to hunt down every one of the enemy's vessels which might get through the blockade. But I would go further and say that if we are not satisfied with that preponderating strength, should we not try to add to it, instead of trying to bring about an isolated new division which would be limited to Australian waters, and which could not, by its meagre radius, be utilized wherever Australian interests might be threatened?

Mr. HUME COOK.—The honorable member misses my point. If Australia is protected by ships she will be less liable to attack than if unprotected by ships.

Mr. KELLY.—The whole course of my speech has gone to show that England cannot go on bearing, unassisted, the whole burden of Imperial defence. I have shown that whereas at the present day England is as strong in battleships as are the next three powers, she will, in 1907—only two years hence—have but forty-eight such vessels as compared with sixty-three owned by those powers. If England were able to bear, unassisted, the whole burden of Imperial defence, the question would merely be whether we are small or mean enough to allow her to continue to do so. But I have proved that England is not able to go on bearing the burden alone; and, that being so, the self-governing Colonies, wealthy as they are, and with their vast interests, must come to her assistance, prepared to take part in a new scheme for Imperial naval defence. I do not wish for "contributions without representation" or anything of that sort, but simply urge that the whole matter requires readjusting. My desire is that we should meet the mother country half-way, and say that we are prepared to consider the question of Imperial defence in the new light now shed upon it.

Mr. HUME COOK.—But the honorable member proposes a money contribution.

Mr. KELLY.—I have already explained that I propose to double our money contribution in order to force attention to the subject. It does not matter whether we contribute £200,000 or £400,000, seeing that the naval expenditure of the United Kingdom is £36,000,000. Our contribution of £200,000 is no more than the price of a

third-class cruiser! My desire is, as I say, to force attention to a subject which is of supreme national importance to the Commonwealth. I much regret that I have occupied so much time, but honorable members will recognise that this is a subject which cannot easily be dealt with briefly. There are so many sides to consider that, if each point were comprehensively urged, I am afraid I should never finish. If I have been rather stilted in my method, it is only because I recognised that if I dealt with the matter fully, I should require almost as many adjournments of the debate as the honorable member for Lang did on another occasion. I hope I have shown the necessity there is for Imperial defence, and that England cannot unassisted bear the burden. I deeply regret that a more capable person did not take up the work of pointing out Australia's duty to herself. However, the matter has been touched upon by the honorable and learned member for East Sydney and others, all of whom have expressed much the same view that I have laid before honorable members to-day. The honorable and learned member for East Sydney has said:—

I cannot wonder that the people of the mother country look to their children for further help. Some persons seem to think that this £200,000 a year we give the British Navy is a magnificent display of Australian generosity. I say, we are bound to look more squarely in the face our responsibilities to the British Empire.

And not only responsibility to the British Empire; but responsibility to the people intrusted to our charge! The honorable member for Gippsland has said:—

The stupendous struggle in the East must awaken the people of Australia to the fact that we have been living in a fool's paradise when we have assumed that our great distance from the military nations of the earth gave us immunity from foreign invasion. We know that some of the great military nations are within a few days of us. Japan has astonished the world. If her example awakens China to adopt modern civilization we shall have hundreds of millions within a short distance of our shores. That shows the necessity of contributing to the British Navy, and of consolidating and strengthening the Empire by every means in our power.

Surely there is food for thought for the people of these vast empty lands! The Prime Minister may cut off the proposed increase if he likes; all I wish him to do now is to take the first step towards a discussion of Imperial necessities, and of the Imperial adequacy of the preparation that has been made to meet them by those who now

*Mr. Kelly.*

bear the whole responsibility. The Minister has spoken on this question as he could speak. In his presidential address delivered to the Imperial Federation League of Victoria, the Prime Minister said—

Shall we be opposed in our own community? Certainly. At the very outset, we suppose another demand on a community, many of whose members neglect to exercise the political leges they have. One would not willingly make another claim upon them except on the ground of imperious necessity, but the necessity is increasing. While it is hoped that the member of the League—

and I think the Prime Minister would say also, every member of the community

continues to be a zealous ratepayer in his municipality, and an active elector in State and Commonwealth, we are obliged to remind him of the guarantee of his retention of each of these privileges, and of their free exercise, his children, very largely depends upon the maintenance of the Empire.

The Prime Minister, in a newspaper interview, which has since been printed, articulated, further said—

But the march of events during the last few years has revealed the striking growth of new naval powers—the United States, Germany, and Japan. The condition of their fleets, and the condition of those fleets which were previously in existence, oblige us to review the whole question in the light of the possibilities now presented.

Those words are sufficient justification for moving in the matter. I cannot conclude without again expressing my regret that it should have fallen to the lot of a private member, whose political experience by no means fits him for a task so important, to submit this motion. I hope, however, that now the question has been introduced, it will be debated in a fair and open way, and not, as some might expect of an Australian Navy wish to debate it, namely, by misrepresentation and the use of quotations without context. I hope that we shall endeavour in any way to arrive at the best solution of the problem. If honorable members address themselves to the question in the spirit I have indicated, I have no doubt that the position I have presented to-day will be deemed the only reasonable position in the interests, not only of the Empire, but of that section of it committed to our charge.

Debate (on motion by Mr. McCauley) adjourned.



## BUDGET.

*Committee of Supply:* (Consideration ended from 6th September, *vide* page on motion by Sir JOHN FORREST—the item, “President, £1,100,” be agreed

R. EDWARDS (Oxley).—Just before the House adjourned last night I was going to the remarks of the Treasurer with respect to the practice for some time followed by writers in the press of the old policy of disparaging and misrepresenting Australia. I was pointing out that some of the restrictive legislation passed by this Parliament had, in my opinion, more than anything else to disparage the Commonwealth in the estimation of the people of other countries. I referred more particularly to the contract section of the Immigration Restriction Act. I think that that section should be amended without any further delay, and if it were possible it should be amended during next week.

PAGE.—Why did not the honorable member move the late Government to do something in the matter?

R. EDWARDS. — I may tell the honorable member for Maranoa that when the Immigration Restriction Bill was under consideration in this House, about four months ago, I voted for the contract clause, on the belief that it would be applied only to a company or employers proposed to employ a number of men at a low rate of wages to take the place of men on strike, in order to prevent those men from getting redress of their grievances.

PAGE.—Does the honorable member believe in that?

R. EDWARDS.—I do, and I still believe in the provision to that extent. But I do not possibly support a measure which would prevent many of my own countrymen from coming out here, under engagement for perhaps, two or three years, at a rate of wages as high as the highest rate ruling in Australia. The provision to which I refer was submitted by the leader of the Labour Party, and I remember that the honorable member for Northern Melbourne was very anxious indeed to find out whether the proposed clause would apply to men ordinarily coming out under engagement for two or three years, at the highest rate of wages. It was distinctly understood at the time that the clause was to apply in such cases, but to men coming out here for political purposes, at

a lower rate of wages than those ruling in Australia, and to take the place of men on strike.

Mr. MAUGER.—That might have been understood in some quarters, but it was not generally understood.

Mr. R. EDWARDS. — That was distinctly understood to be the object of the clause when it was submitted. I say that to put any other interpretation upon it is to place too much power in the hands of any person. I am afraid that if one or two Bills which are now before the House are passed as they at present stand, we shall find similar difficulties arising in connexion with them.

Mr. MAUGER.—There has been a good deal of slander and talk, but what harm has been done by the section to which the honorable member refers?

Mr. R. EDWARDS.—There has been a very great deal of misunderstanding. As I said last night, there is an impression even amongst our own country people in Great Britain that no one is allowed to land in Australia unless he is able to write at dictation a sentence of fifty words in some European language, and that apparently the Customs officers always take good care that a man desiring to enter the Commonwealth shall not be asked to write a sentence in his own language.

Mr. PAGE.—The honorable member knows that that is not true.

Mr. R. EDWARDS.—I know that quite well, but I speak of the impression prevailing in the old country.

Mr. GROOM.—An amendment of the contract section will not correct that impression.

Mr. R. EDWARDS.—In my opinion, it is the duty of the Government to amend that section, and to make it known in the old country that we in Australia are prepared to receive people from Great Britain and from the Continent of Europe with open arms. The provision to which I refer is paragraph *a* of section 3 of the Immigration Restriction Act, which provides that—

Any person who, when asked to do so by an officer, fails to write out at dictation, and sign in the presence of the officer, a passage of fifty words in length in a European language directed by the officer—

shall be held to be a prohibited immigrant. It is ridiculous and contemptible that we should propose to prohibit people of our own race from coming into this country.

Mr. WATSON.—Why did not the honorable member vote for my proposal to bar coloured aliens and leave others alone?

Mr. R. EDWARDS.—The honorable gentleman will allow me to say that when I voted for this proposal I never imagined for a moment that it would be used to prevent or to place obstacles in the way of our own people emigrating under a contract to Australia.

Mr. WATSON.—Has it prevented them?

Mr. R. EDWARDS.—There have been difficulties placed in the way of some persons, and the provision has been the means of disparaging the Commonwealth. The very idea that people will be required to pass an examination in an European language has created a bad impression. Honorable members can scarcely be conscious that there is more than English spoken, even in Great Britain. Small as the country is, there are people in Great Britain who have very little knowledge of English.

Mr. THOMAS.—The Welsh, for instance.

Mr. R. EDWARDS.—Just so. Would they be asked to write a sentence of fifty words in their own language? I ask honorable members to imagine the case of an Irishman, speaking and writing the Irish language, being asked to write a sentence of fifty words in the Italian or Greek language.

Mr. PAGE.—It is my experience that a man who could write a sentence in Gaelic could write it in Italian or in Greek.

Mr. R. EDWARDS.—I am afraid that the honorable member is acquainted only with the English language. I have had to learn more than one language, and a smattering of more than two or three, though I am sorry to say that I do not know one of them very well. However, I have no wish to find fault with what has been done, but rather to ask the Government to remedy the difficulty.

Mr. WATSON.—Does the honorable member mean to say that any one from Great Britain has been stopped from entering the Commonwealth under the section to which he refers?

Mr. R. EDWARDS.—I will not say that any one has absolutely been stopped, but the honorable gentleman must know very well that difficulties have been placed in the way of the landing in Australia of some of our own country people.

Mr. WATSON.—Not under that section.

Mr. R. EDWARDS.—I remind honorable members of what happened the other

day in Hobart. A gentleman who was fortunately blind, was chased from his to his hotel, and from the hotel to the again, and the agents of the steam company were obliged to give a guarantee that this gentleman did not intend to remain for any length of time in our beautiful country.

Mr. WATSON.—That was under the administration of the last Government.

Mr. R. EDWARDS.—The authorities appear to have been afraid that this gentleman might have his eyes opened in our beautiful country and might decide to remain amongst us. He was said to be a well-to-do man on a tour with his daughter. We ought not to have on our statute-book a measure which may be interpreted in such a way as to produce such incidents.

Mr. STORRER.—That case was no fault of the law.

Mr. R. EDWARDS.—It was the fault of the law.

Mr. GROOM.—That gentleman was detained, I presume, not under the paragraph to which the honorable member is referring, but under that which prohibits immigration of persons likely to become a burden on the Commonwealth.

Mr. R. EDWARDS.—The people in the old country have good reason to regret the law as I have said it can be interpreted, and to fear that difficulties may be placed in the way of their landing if it comes to Australia. Only the other day a groom who brought out horses from the old land had to obtain a ticket of exemption.

Mr. THOMAS.—The Prime Minister said that that was not necessary.

Mr. R. EDWARDS.—I can understand the people in the old country regarding the provision in such a way as to make it doubtful as to whether they would be allowed to land in Australia after getting a ticket. This man obtained a ticket of exemption through the shipping agents, to make it appear that he would be allowed to land with his horses; but it provided that he could remain here longer than six months.

Mr. THOMAS.—The Prime Minister said that he can remain here as long as he likes.

Mr. R. EDWARDS.—I still maintain that people in the old country have good reason to believe that difficulties may be put in the way of their landing here, and want these difficulties removed from the statute-book. I think the world knows that we are prepared to



in Australia, with open arms, white persons of good repute. I received a letter not very long ago from a person who asked about the advisability of coming here, and I had to reply to him, "I cannot speak English, French, or German, and the language which you do speak may not be that in which the test will be applied to you, so that you may be refused upon as a prohibited immigrant."

GROOM.—Of what nationality was the honorable member's correspondent?

R. EDWARDS.—He was an intelligent man of the same nationality as myself—a Welshman.

WATSON.—Then the honorable member misled him.

R. EDWARDS.—I am sorry that I had to discourage him, but I was perfectly right in doing so, in view of the facts. After our experience in connexion with the six hatters, and the Charters Towers bricklayers—

WATSON.—That was an invention of the Charters Towers bricklayers. A number of bricklayers were available.

JOSEPH COOK.—Is the corner party to take possession of the Committee?

WATSON.—It is time that we had more than one member of the Opposition [Quorum formed.]

R. EDWARDS.—I have admitted that it was not the intention of paragraph 3 of the Act to prevent our people from coming here, but the words of that provision justifies the conclusion that difficulties may be put in the way of immigrants. In the *Argus* of Friday a leading article was published on this subject, part of which I wish to read to the Committee. It is as follows:—

What is the law with respect to the exclusion of Australia of labourers under contract? A question is raised by the case of the groom who came out with horses to New South Wales on an exemption certificate covering six months, by the action of Mr. Coghlan, Agent-General for New South Wales, in granting that certificate, and by the confused and contradictory references to the matter made during the week by the Prime Minister. Section 3 of the Immigration Restriction Act includes amongst prohibited immigrants—

"Any persons under a contract or agreement to perform manual labour within the Commonwealth: provided that this paragraph shall not apply to workmen exempted by the Minister for special skill required in Australia."

Coghlan, an officer of Australian reputation, sent to London as Agent-General for the

special purpose of answering criticisms and refuting misstatements made respecting Australia, interpreted that provision to mean that William Gooderham, the groom in question, would probably be denied admittance unless he had an exemption certificate as authorized by regulations under the Act. He issued one accordingly, for six months, with an intimation that any person guilty of offence under the regulations is liable to a fine of £50, or, in default, imprisonment. William Gooderham may therefore be excused if he has gathered the impression that the one striking fact to an English workman respecting Australia is that he must obtain a special permit to enter it, and he must not remain in it more than six months on pain of fine or imprisonment. If Sir John Forrest should assert that in stating this much we are amongst those who, faring sumptuously every day, slander Australia, we must refer him to Mr. Coghlan, who, faring sumptuously—we may hope—in London, is the author of the slander. . . .

Surely nothing can disparage and discredit Australia so much as a provision of this sort, which skilled officials cannot interpret rightly, and respecting which the Prime Minister is evidently in a state of confusion. None of Mr. Deakin's oracular refinements can do away with the impression which the experiences of that groom will make in Great Britain. Mr. Cope-land, when Agent-General, reported that the man-in-the-street in England was talking about the six hatters case with strong resentment, and implored the Commonwealth to repeal the section which sanctioned such treatment as they received. Now the whole of that bad impression will be renewed and intensified. From various utterances made by Mr. Deakin we may conclude that he was willing to favorably consider an amendment of the section, making it correspond to the purpose of Parliament in passing it. That purpose was to prevent the importation of labourers to overpower Australian workmen in case of strikes arising out of industrial disputes. We have now Wages Boards, State Arbitration Acts, and a Federal Arbitration Act. Strikes should now, if we can believe the promoters of those Acts, be things of the past. Then why not boldly repeal the obnoxious and mischievous restriction altogether, since if there are to be no more strikes it will not be required? If Mr. Deakin has not courage enough to propose that course, he might at least amend the clause in the spirit of the suggestions which have been made, that the prohibition shall not apply to immigrants who are not hired to take the place of workmen on strike or engaged in defending what they may consider to be their rights. When the provision was inserted, on the motion of Mr. Watson, it was intended to apply to such cases only. It has been extended in operation in a most injurious way. If it is to remain in the Act no time should be lost before inserting words to restrict it to its original purpose.

Last night I quoted from a leading article published in the *Age*, and I am pleased to say that the *Argus* and the *Age* are very much in accord in this matter. The sooner we repeal the section to which I have referred, the better it will be for Australia. I am very glad indeed that the leader of

the Labour Party has expressed his willingness—and I take it that he speaks for his party—to modify the contract section. I regret that the honorable member for Bland is not sitting on this side of the Chamber. I am sure that he could do better work here than upon the Ministerial benches. He is a liberal-minded man, and if he were as free as I am he would be able to exercise a beneficial influence upon our legislation.

Mr. WATSON.—I would not misrepresent the laws of the country.

Mr. R. EDWARDS.—It was through the honorable member's influence with the Barton Government that that contract section was adopted, and I am very glad that the honorable member now sees the error of his ways.

Mr. WATKINS.—Did not the honorable member support the Barton Government?

Mr. R. EDWARDS.—Yes; and I supported the very section to which I have been referring. It was then understood that it was only to be applied to the purpose of excluding men whom it was desired to bring here under contract, at low rates of wages, to replace workmen who were on strike. I never imagined for a moment that men like the honorable member for Newcastle and myself would have obstacles placed in the way of their landing here.

Mr. WATKINS.—That is not the fact.

Mr. R. EDWARDS.—The honorable member knows that obstacles have been placed in the way of men landing here, and I need only cite the case of the six hatters, who were kept on board ship for a week before they were permitted to set foot on shore.

Mr. WATKINS.—They kept themselves there.

Mr. R. EDWARDS.—Then I might mention the case of a certain blind gentleman, who was refused permission to land at Hobart.

Mr. GROOM.—That was not under the contract section.

Mr. R. EDWARDS.—That gentleman was refused permission to land, although he could have bought and sold the whole of Hobart. Judging from his case and others, there is very little liberty in this land of ours, and I think the contract section of the Immigration Restriction Act should be repealed without delay.

Mr. WATSON.—If it is to be misrepresented in the way the honorable member is misrepresenting it, it had better be repealed.

Mr. R. EDWARDS.—A very impression has been created, not only in foreign countries, but in our own land, and it is generally thought that an Englishman, Irishman, or Scotchman can land here only after experiencing considerable difficulty.

Mr. FISHER.—That misrepresentation has been made to a large extent by those who are paid to properly represent the States.

Mr. R. EDWARDS.—The gentleman to whom reference has been made will come to England and tell his own story, which will create a most unfavorable impression. If I were not interested in the welfare of Australia I should not bother myself to discuss this matter. I have been here for forty-two years, and I wish to remain as much longer as I can, and do everything possible to promote the prosperity of the country, which has treated me so well. Fortunately, when I came in 1862, there was no Labour Party, no Immigration Restriction Act, no contract section, and I was permitted to go and work out my own destiny.

Mr. FISHER.—The inference to be drawn from the honorable member's remarks is that that could not be done now. It is not fair.

Mr. R. EDWARDS.—The honorable member knows that difficulties have been placed in the way of persons desiring to land here, and I think we should endeavor to clear away any wrong impression that has been formed. We should not have any law capable of such an interpretation as would prevent legitimate immigration from coming in here freely. The States already have an immense population.

Mr. WATSON.—They are receiving more immigrants than any other country in the world, notwithstanding the provisions that have been made against the introduction of persons under contract.

Mr. R. EDWARDS.—Yes; but the United States did not endeavour to prevent any one from entering the United States when the population of that country numbered only 5,000,000.

Mr. WATSON.—It was because of their experience then that they subsequently placed restrictions upon immigration.

Mr. R. EDWARDS.—I can remember that when I was a schoolboy a man came round to the parish in which I was living and induced half the population to go to America. The children of so

immigrants are now amongst the most intelligent men in America. We should encourage people to come here from the old country, instead of placing difficulties in their way. I would impress upon the Government the desirability of removing all existing obstacles at as early a date as possible, and of making it known in the old country that we are ready to receive white immigrants from Great Britain and the Continent with open arms. I notice that provision is made upon the Estimates for a payment of £120,000 to the Orient Steamship Company for the carriage of English mails. I very much regret that in the new mail contract Brisbane was excluded as a port of call.

MR. FISHER.—The honorable member reported the Government which entered into that contract.

MR. R. EDWARDS.—Had that Government remained in power until the question of the mail subsidy came up for consideration, it might have been the means of dissolving it.

MR. WATSON.—The honorable member was for the late Government after the contract had been completed.

MR. R. EDWARDS.—The right honorable member for East Sydney knew perfectly well the treatment he might expect from me when the English mail contract came up for consideration in this House. I could have liked him to continue in office until that question was discussed, because I should have been glad of the opportunity to show honorable members opposite that, although I supported the right honorable member when I considered that he was doing what was right, I was prepared to condemn him when the occasion required that action.

MR. BAMFORD.—Would the honorable member have ousted the late Ministry upon this question?

MR. R. EDWARDS.—I do not care to enter into such a direct question as that, but I could have acted as I thought the occasion warranted me in acting. The present Government having taken over the responsibilities of the late Ministry, I ask them to do justice to Queensland in this matter. I appeal to them to place that State upon the same footing as the other States. I do not seek any favour for Queensland. If I did so, I am sure that the people of that State would promptly resent my action.

Even if the Prime Minister is not fully aware of it, it is a fact that the Queensland Government have entered into

an arrangement with the Orient Company, under which that company has agreed to send its mail steamers to Brisbane every fortnight in return for a payment of £26,000 annually. I ask the honorable and learned gentleman to seriously consider whether the Commonwealth cannot take over that liability, so that it may be charged to the States upon a population basis. The existing contract with the Orient Company does not apply to the carriage of mails alone, but also to that of cargo. If the present service ended at Adelaide, Queensland would raise no objections. But the mails for the eastern States have to be brought on from Adelaide by arrangement.

MR. FISHER.—The honorable member means that the contract should be for the carriage of mails from the United Kingdom to Adelaide?

MR. R. EDWARDS.—Exactly. Of the subsidy of £120,000 which is paid to the Orient Company, Queensland contributes, roughly speaking, about £16,000, for which she obtains practically no value. Why should she not enjoy the same advantages as are conferred upon the other States? The existing contract stipulates that the mail steamers must be fitted with refrigerating chambers, and must call at Melbourne and Sydney. That, I contend, is unfair.

MR. KELLY.—At how many ports in Queensland does the honorable member suggest the mail steamers should call?

MR. R. EDWARDS.—At only one. The first steamer belonging to the Orient Company reached Brisbane on Thursday last, and loaded with butter upon the following day. Upon her arrival some jollification took place, and the vessel left again upon Saturday.

MR. JOSEPH COOK.—The mail steamers visit Sydney to suit their own convenience.

MR. FISHER.—The contract distinctly provides that they must call there.

MR. R. EDWARDS.—The present contract expressly stipulates that the steamers must call at Melbourne and Sydney. I would not object to that, if they were paid only for the conveyance of mails to Adelaide; but the carriage of mails from Brisbane to Adelaide by rail involves Queensland in an additional expenditure of about £1,000 a year.

MR. CROUCH.—Would the honorable member deprive Sydney of the advantage of being the terminus of the mail service?

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Mr. R. EDWARDS.—I merely desire all the States to be placed upon the same footing. I had intended to deal with the question of the transfer of the States debts, but in view of the very able speech which was delivered by the honorable member for Mernda last evening, I do not think I should be justified in occupying further time by discussing that important matter. Consequently, I shall content myself with urging upon the Government the necessity of taking some definite action with a view to the solution of that difficult problem at as early a date as possible. This afternoon, I was very pleased to hear the honorable member for Kooyong give notice of a motion in favour of the appointment of a Select Committee to formulate a scheme for the transfer of those debts. We are all aware that that subject was one upon which the advocates of Federation were accustomed to lay especial emphasis. It was urged that the Commonwealth would take over the States debts, and that a very material saving in the annual interest bill would thus be effected. That was offered to the people as an inducement to accept Federation. I remember availing myself of this point at the first general election, and pointing out that a saving of considerably more than £1,000,000 a year was likely to be effected by the Commonwealth taking over the whole of the debts of the States. I told the electors that instead of the States having to pay, as at present, £8,300,000 a year, by way of interest on their loans, the transfer of the debts to the Commonwealth would mean a reduction of the interest bill to £7,000,000, and I ventured to hope that the saving thus secured would be devoted to a Commonwealth system of old-age pensions. Nothing has yet been done to this end, but I trust that action will be taken in the near future. I desire now to refer briefly to the question of the sugar bounty, which, honorable members must admit, is one of great importance to Queensland. Last year, the value of the sugar produced in that State was a little over £2,000,000, and there is every reason to expect that this year the output will be of even greater magnitude. I was pleased to learn that the Government had decided to extend the period for the operation of the bounty. In referring to this matter the Treasurer said—

In this connexion it is proposed to introduce Bills extending the bounty for five years after the

expiration of the present time—that is, end of 1911—upon the same terms as contained in the existing Act.

Like those who are thankful for every mercies, Queensland will not be other than grateful for this slight measure of consideration, but I honestly believe the policy of the present Government have been to extend the bounty for not less than ten years. Even if they are not prepared to grant a ten years' extension on the present terms, they might well agree to an extension of the bounty, as at present, for five years, and to its continuation on a graduated basis during a second five years' period. I think a proposition would be generally acceptable to the representatives of Queensland. I may say that, upon the whole, the opinion of the representatives of that State are unanimous in favour of this question.

Mr. FISHER.—There is a difference of opinion as to the method of continuing the bounty.

Mr. R. EDWARDS.—That may be. Sugar is not grown in some of the territories; but, upon the whole, I think the representatives of Queensland are working together to secure to that State to which, in our opinion, she is fairly entitled. It should be borne in mind that the sugar industry of Queensland was established and built up by the assistance of coloured labour, and that but for that labour it would not be in existence. The Parliament has decided that the territories shall be deprived of kanaka labour at the end of next year, but it has not made any provision to supply them with other labour to take its place. In these circumstances, I feel that I shall be justified in asking the Parliament, at the present time, to extend the bounty for another ten years. Referring for a moment to the issue, I believe there is considerable discussion as to whether the Commonwealth has the power to deport kanakas. This is a question of law with which I cannot deal definitively. I would point out, however, that the kanakas came into Queensland under contract to work on the sugar plantations for three years, and that at the end of that period they were free to enter their contract for a further period of three years. No agreement was made between the Government of Queensland and the planters and kanakas for the retention of the latter to their islands, and in these circumstances some members of the profession are of opinion that

Commonwealth Government, powerful as it has not the authority to deport coloured labourers. I have only to direct my attention to another subject that the sugar industry is of great importance, not only to Queensland but to the Commonwealth, and that those who have built it up deserve every consideration at the hands of this Parliament. They do not seek permission to employ coloured labour for all time, but fail to extend the bonus for ten years. It would not be unreasonable to give the kanakas at present in Queensland to remain, say, for five years longer.

MR. PAGE.—Was not that the cry raised by the planters in 1885—"Give us the labour for another ten years, and we will then be prepared to let them go"?

MR. R. EDWARDS.—I think that the honorable member for Maranoa will admit that we have not the labour to take the place of that of the 7,000 kanakas who, it is said, will be deported at the end of the year.

MR. FRAZER.—To what extent have the planters endeavoured to obtain labour in Queensland for that of the coloured labourers?

MR. R. EDWARDS.—It is unlikely that the planters would seek to secure labour beyond Australia in view of the fact that it would be a breach of the contract for bringing men into the Commonwealth.

MR. HUMPHREY COOK.—Have they sought labour within Australia?

MR. R. EDWARDS.—I believe that a large number of the planters have endeavoured to carry out the Commonwealth legislation bearing upon the immigration of labour.

MR. McDONALD.—I think that they have done exactly the reverse.

MR. R. EDWARDS.—I would remind the honorable member for Kennedy that the difference between the wages of the kanakas and those paid to the white worker is slight.

MR. WILKINSON.—The planters desire labour to work for kanakas' wages.

MR. R. EDWARDS.—I repeat that there is but a slight difference between the wages paid to kanakas and white workers in the sugar industry. It may be said that the kanaka is simple-minded, but as a rule he is fairly wide awake. He has to serve his employer with docility, and for the first twelve years is not of great value to his employer.

MR. McDONALD.—But what about the conditions under which he is prepared to work?

MR. R. EDWARDS.—My only desire is to point out that the difficulty in regard to the substitution of white for coloured labour does not relate solely to pecuniary considerations. I regret to say—and I make this statement without desiring in any way to be offensive—that the white worker is sometimes unreliable.

MR. BAMFORD.—The planters are afraid that he will be too reliable at the ballot-box.

MR. R. EDWARDS.—The white worker in the sugar industry sometimes forgets on Monday morning to return to his work. I repeat that I have no desire to hurt the feelings of the white workers, but, according to the evidence of the planters, the kanaka has been found more reliable.

MR. BAMFORD.—An Act was passed specially to prevent the kanaka from obtaining strong drink.

MR. R. EDWARDS.—It would be a good thing if there were an Act to prevent many others besides kanakas from obtaining strong drink. I hold that it would not be unreasonable to allow the kanakas in Queensland to remain for a further period of five years, and long before that time, I hope we shall have a regular migration of reliable farm labourers to our shores. If the sugar planters could indent farm labourers for, say, three years, they would go to the expense of getting them—naturally, as many as possible, from Australia, but otherwise from other countries. The result would be that the men who came out and worked with the planters for three years would be learning the business of sugar-growing, and at the end of the period the majority of them would take up land, and become planters. In this way the planters would become immigration agents, and introduce persons at no expense to the Commonwealth.

MR. McDONALD.—It did not turn out in that way when the Italians were introduced. Within three months they all left the plantations.

MR. R. EDWARDS.—I do not think our experience of the Italians is of much value in this connexion. If the payment of the bounty were stopped, the sugar industry would pass into the hands of Chinese and other aliens. Already a large number of Chinese are sugar-growers. Even with the aid of the present bounty,

the planters will have hard work to compete with other countries, where cheap labour is in abundance. To give an idea of the alien population in the northern portion of Queensland, let me quote a small paragraph—

The number of Asiatics, including Japanese, Chinese, Hindoos, and Cingalese, in the State is estimated as being over 14,000. A large proportion of these are engaged in tropical agriculture. The Chinese are not satisfactory labourers in the cane-fields when working for farmers. They prefer working on their own account, and for this reason are always on the alert for a piece of land to cultivate for themselves. Hence a large number of these aliens are renting land from white farmers. They work well while interested in the land; but as time goes on, and when the kanaka has gone, it will evidently be difficult for white farmers to hold the land, because when the Chinese find themselves masters of the labour situation they will not be slow in exacting to the fullest extent the value of their work, either as determined by the rent they pay the farmer, or as labourers in the cane-fields. This would be a very undesirable position to create. Therefore, if the farmers cannot get white labour, and are not permitted to use Polynesian or New Guinea labour, the Chinese element must, in the natural order of things, become a menacing factor in the maintenance of a White Australia. Chinamen are continually arriving in the northern agricultural districts, and the people generally are wondering where so many strange Chinamen are coming from. They are not arriving by sea, and it is concluded that they are making their way overland from Port Darwin.

So that in that respect Queensland has to receive the refuse of other States. After the passing of the Pacific Island Labourers Act, hordes of Cingalese, Assyrians, and other aliens went up to North Queensland. These are far more objectionable than the islanders, because they compete with white men to a greater extent than do the kanakas. They become shopkeepers, and before their arrival they were tradesmen, many of them being quite equal to the tradesmen of our own country. These are the men whom white workers have to be afraid of.

Mr. FRAZER.—Would the honorable member, in order to put them at a greater disadvantage, be willing to increase the Excise duty, and also the bounty?

Mr. R. EDWARDS.—I should be willing to restrain these men from doing the same work as our own countrymen. The fault I found with the Pacific Island Labourers Bill was that it imposed no restraint upon them. I remember telling the Prime Minister that if the Government would only include in its operation, Asiatics such as those I have named, so that they might

be deported, like the kanakas, I support the measure. I suppose it will not be done. We can restrict the action of the people of any alien race, but we have not the power, I think, to restrict the Hindoos and Cingalese, though they are to be sent away. Occasionally, however, our honorable friends in the labour corner make error of their ways, and the time is coming when I think they will be crying for the re-admission of the kanaka, which was done in Queensland some fifteen years ago, even by the labouring men themselves.

Mr. McDONALD.—That is not so.

Mr. R. EDWARDS.—The labouring men found out that their occupation was becoming *nil*, and, therefore, they presented freely to the re-admission of the kanaka.

Mr. CULPIN.—It was the re-admission of the kanaka to Queensland which brought the Labour Party into existence there.

Mr. R. EDWARDS.—They were in existence before that time.

Mr. McDONALD.—No; I was in existence after the re-admission of the kanaka.

Mr. R. EDWARDS.—Within a few days' sail from Queensland there are a number of countries in which sugar is very largely produced. In Java, which is only a few weeks' steam from Thursday Island, rice, coffee, and other tropical products are grown to a very large extent. The Government deal with the planters in a very liberal way. There is abundance of labour—Malays and Javanese—and the cost to the planters is, I think, a quarter of a guilder per day, which, in our money, would mean 5d. The planters receive no encouragement from the Government to lease, but not purchase, the best land for ninety-nine years at a nominal rent. During the first five years the rent is expected to be paid. This concession is given for the purpose of enabling the planters to get in a crop and reap the benefit. Fiji, which is still nearer to Queensland, there is no restriction on the employment of coloured labour. Although it is not the case in the British Colony, still kanakas and Indians are employed on the sugar plantations.

Mr. GROOM.—It is chiefly Hindoos who are employed.

Mr. R. EDWARDS.—I think so. It is not very far from Queensland is the island of Formosa, which, after the war between China and Japan, was the property of the latter country. Immediately after its transfer, steps



to turn the island into a vast sugar plantation. In the near future, we shall have a large quantity of sugar brought to Australia from Formosa, and also from Java. I ask honorable members to keep all this in mind, and to give every consideration to the great industry of the island. If it is destroyed, or if it is damaged, so far as not to be able to supply the requirements of the Commonwealth, we shall have to import sugar. It has been grown and manufactured in far more servile labour than ever in Queensland. The industry in the island is unable to secure a supply of the white labour. If we take away the kanakas at the end of next year, will the men to take their places come from? The industry gives employment to a very large number of men. When the Pacific Island Labourers Bill was before the House, I pointed out that directly and indirectly it provided a living for no less than 50,000 men, women and children in Queensland, and Sir William McMillan declared, "Not less than 100,000." I am speaking of Queensland only, and I quite believe that he was right, if he was that in New South Wales and the island about 100,000 persons are dependent upon the sugar industry for a living. I am sure that included the planters, their families and children, and the men employed on the plantations, as well as those engaged in the shipping, on the wharves, and in cart-

**BAMFORD.**—The most liberal estimate ever heard was 20,000.

**R. EDWARDS.**—There are 20,000 plantations alone, but I included indirectly employed in connexion with the industry. We must also include the men who supply horse feed to the plantations in North Queensland, because though they have plenty of land, they usually purchase their maize. The sugar industry is in its infancy, and if it receives reasonable encouragement, it will grow to ten times its present magnitude, and give employment to many thousands of our own people.

**MCDONALD.**—What percentage goes to the sugar?

**R. EDWARDS.**—I am not prepared to say, though I may be able to make a remark or two on that subject later. I know that some people for various reasons are opposed to the extension of the sugar industry. But if they look at the matter in a broad, liberal-minded manner, I am sure, come to the conclusion

that Queensland is not asking for anything unreasonable. I hold in my hand a copy of a leading article which contains an effective reply to some of the arguments used by the honorable member for South Sydney. It was published in the *Brisbane Courier*, of Wednesday, 30th August, and is headed "Queensland Traducers."—

It would seem to require Sydney Smith's surgical operation to enable some of the Southern legislators to understand the real facts relating to the sugar industry and the bonus paid on the product of white labour. Thus in yesterday's debate on the Budget in the House of Representatives Mr. Edwards, of New South Wales, made a pathetic reference to the alleged burden which the other States have to bear on behalf of Queensland. He declared that the people of Australia were now paying £1,022,000 more for their sugar than they would if there were no sugar bounties, excise, or bonus. He also urged that if the sugar bonus were extended the greatest care must be taken not to injure other industries. Sugar was a raw material in other industries, and if six industries were to be perpetually injured to assist one it would be a very dangerous departure. The premises of this argument and the conclusion drawn from them are equally indefensible. It would have been more to the purpose if Mr. Edwards had taken the trouble to compare the Customs revenue derived from sugar prior to Federation with that paid under the conditions determined by Commonwealth legislation. If he had done so he would have found that in the case of the whole of Australia there has been an actual decrease of whatever burden was due to a duty of any kind on sugar. What has free sugar to do with the sugar bonus? Long before Federation was made a question of practical politics the whole of the States had imposed sugar duties, and even in Mr. Edwards' own State the free-trade Premier, Mr. G. H. Reid, was compelled to pause in carrying out his own policy of reducing the Customs duty on sugar to the vanishing point. Yet the New South Wales sugar industry was only a fraction compared with that which has hitherto found an abiding-place in Queensland, and the labour difficulties of the south were trifling as compared with our own. When the sugar bonus has been added, it can be shown by comparison of facts that the adjoining State carries no heavier burden than was borne without complaint in the years when the triumphant boast was made about her being the only free-trade colony in the Empire. What industries have suffered from the payment of a bonus to revolutionize the labour conditions of a great national industry? Can Mr. Edwards give any specific reply, and, if he can, would he be able to show that the injury done to any small industry was at all proportionate to the injury which would be done by the destruction of an established industry which represents more to Queensland than the mining industry to New South Wales, wheat-growing to South Australia, and the dairying industry to Victoria? Would Mr. Edwards be prepared to sacrifice all the mining industries of his own State if such depended on the imposition of a Tariff which theoretically was not in accordance with the principles of free-trade? Yet this is the very thing he asks the Federal Parliament to do in the case of Queensland. Every petty industry in Sydney and Mel-

bourne, employing, perhaps, a score of hands, is to be given protection, while an exception is to be made in the case of one of the greatest industries in the Commonwealth. It is a distortion of fact to say that Queensland is being paid for carrying out a policy decided upon prior to Federation. The payment so far has been nothing, and the policy now in force is solely that of the Commonwealth Parliament, which scorned even inquiry into subjects about which it was totally ignorant.

That is quite true. What we are asking for in the form of a bonus to sugar produced by white people, is simply protection similar to that which has been granted to some of the manufacturing industries. It will be remembered that this Parliament positively refused to appoint a Select Committee to inquire into the sugar industry and the conditions of labour connected with it. Even now I think that it has a claim for an inquiry, just as much as had those industries which were able to use enough influence to cause the appointment of a Royal Commission to investigate the operation of the Tariff. So far, only a small portion of the fertile lands of tropical Queensland have been utilized. There is an immense area that has not been touched. North of Port Douglas, right up to Cape Yorke, there are thousands of acres which could be cultivated for sugar production, and for the growth of coffee, rice, and other tropical products. That land will not be allowed to remain idle for all time. Within a few days' steam, there are millions of people who could, if permitted, make good use, not only of the fertile lands of tropical Queensland, but also of the Northern Territory. Australia will have great difficulty in keeping clear of them. It is our duty, as white men, to settle as many white people as we possibly can on these lands. We ought to take possession of the lands and utilize them, and not act the dog in the manger. If it be necessary to employ a limited number of black labourers, I can see no objection to such a course, which, in my opinion, would not prevent the realization of the desire of everyone to have a White Australia—our own people for Australia.

Mr. WATKINS.—We do not know what may happen after that letter which was written by the honorable member to his friend in Wales.

Mr. R. EDWARDS.—If the honorable member desires information, he had better ask a few questions on the subject. I should like to give the Committee the views of some men who have had many years'

practical experience in Queensland—the Melbourne *Argus* of the 26th of this year, there appeared, under the heading "Sugar Growing: Queensland Views," an account of an interesting interview with a planter, who said—

The rate of pay in our district to fr—Chinese, Japanese, and Hindoos—is 26s. per week without rations. The ind kanakas cost 18s. to 20s. per week with and as there are only certain kinds of we can employ them at, we only get about months' effective service.

Mr. WATSON.—Does the honorable member say that kanakas are paid 18s. with rations?

Mr. R. EDWARDS.—Yes.

Mr. WATSON.—That is not true.

Mr. R. EDWARDS.—I am not sure what was stated in the interview.

Mr. WATSON.—Surely the honorable member knows that the statement is correct?

Mr. R. EDWARDS.—The statement is correct in so far that some kanakas under engagement in Queensland have resided there for twenty years.

Mr. WATSON.—Does the honorable member mean to say that kanakas are paid a week, with rations?

Mr. R. EDWARDS.—Yes.

Mr. WATSON.—We never heard of wages when the parliamentary member was in Queensland.

Mr. R. EDWARDS.—No doubt kanakas are as good as, or better, than the honorable member and myself would do such work.

Mr. McDONALD.—The honorable member could not produce half-a-dozen kanakas who are being paid such a wage.

Mr. BAMFORD.—Twelve shillings a week is the highest wage paid to kanakas.

Mr. R. EDWARDS.—It must be admitted that some of the kanakas have been working for years on the plantations; they do just as good work as any white man could do.

Mr. WATSON.—We never heard of wages, anyhow.

Mr. R. EDWARDS.—The question I am reading I only came across to-day. I hope I shall be allowed to complete it.

For the remainder of the year we have employed them at work we could often do so that alien labour is by no means cheap; it is reliable; that is the great point there when it is wanted, and will do as much as Of all alien labourers the Japanese is the most intelligent—quite equal in his adaptability to the white man. What I am afraid will inevitably happen when the kanakas of Queensland (about 6,500) are deported



6, will be that gradually cane sugar-growers in North Queensland will fall into the hands of free aliens who are there—Chinese, Japanese and Hindoos. Gradually the cane-fields are leased to them, and as long as the labour sugar will be grown by them, but the industry will not expand as it might do under wiser management and the white growers will become less in number.

There is a strong outcry on the part of the fruit-growers about the cost to them of producing white-grown sugar. We want no bonus for reasonable freedom be given to our enterprise. The two great natural industries of Australia are to be the necessary complement of each other.

North Queensland has been fitted by nature to produce for consumer and manufacturer, a cheap home in the land, and for every fruit-grower cheap sugar, and plenty of it. You cannot, however, introduce unnatural and unwise reasons to bolster up one industry without hurting another. No one wishes to see the pre-eminence of the white race in Australia ended in the least degree.

The complaint is that proper precautions could not be taken to avoid this without putting in force legislation based on an imperfect knowledge of the conditions which govern production. The fruit-grower and the sugar-grower have common interests against legislation which has hit fruit-growing badly, and will not advance, but in the end will destroy cane-sugar production in tropical Queensland.

WATSON.—A tissue of misrepresentation!

R. EDWARDS. — These are the facts. I presume, of some sugar planter who happened to be on a visit to Melbourne.

WILKINSON.—Is the name of the planter given?

R. EDWARDS.—I do not see the name of the planter in the report, but no doubt it could easily be ascertained.

WATSON.—Dr. Maxwell is the best authority on that matter.

R. EDWARDS.—Dr. Maxwell has recently stated that north of Mackay the sugar industry will perish if coloured labour is driven away.

WATSON. — Dr. Maxwell does not say that.

R. EDWARDS.—I shall produce Dr. Maxwell's words at another time.

WATSON. — Dr. Maxwell said it would be more costly to grow sugar by coloured labour than by coloured labour, but I did not say anything about the industry being unprofitable.

R. EDWARDS.—From the 15th to the 20th May of this year, a conference of sugar tourists was held at Cairns, and some very interesting papers were read on that occasion.

WATSON.—Even Mr. Draper addressed the meeting at Cairns, in the presence of the

honorable member, that sugar can be grown by white labour.

Mr. R. EDWARDS.—I admit the truth of what the honorable member says. The papers read at the conference to which I have referred contained the opinions of practical cane-growers, and I think some notice ought to be taken of their utterances. One of the papers on the subject, "White Australia, and the Sugar Industry in the Tropics," by Mr. Edwin S. Waller, manager, of Herbert River, contained the following:—

Being a sugar-planter, and having lived for thirty-four years on the Herbert River, North Queensland, which is a truly tropical climate, I think I may justly claim to have had considerable experience of the climate, and that I should know something about its suitability for white labour for field work.

As this is a very critical time for the sugar industry in North Queensland, it behoves us to consider the matter seriously. I am anxious to place before this conference some of my views, and bring forward a resolution which, I trust, will be carried unanimously.

The important question at the present time (which concerns all interested in the sugar industry, especially in North Queensland), is:—"Is this industry to be allowed to die out?"

Sugar in this State last year was worth £2,000,000.

The people who live in the Southern States, New South Wales, Victoria, and even in South Queensland, have a totally different climate to live in, and, therefore, cannot understand what effect a very hot and moist atmosphere has on the European constitution. Those who, like myself, have lived here for a number of years, and do know, will tell you that malarial fever is at times very prevalent, the climate is extremely enervating, especially to women and girls, who are compelled to make periodical visits to southern and cooler climates in order to restore their health. The effect on the men is similar; they must have occasional changes and spells. If the question were asked of medical men who have lived for a number of years in the tropics—"What is the effect of the climate on a European constitution?" I believe that five out of six would say that the race would in time degenerate.

Mr. Waller does not say that the race would degenerate in a year, but that it would degenerate in time.

White men are able to do all the mechanical and skilled work, also the horse driving required for cultivation, but for other field work I have found them unreliable, and I maintain that white labour for field work in North Queensland has been fairly tried and proved unsuccessful. If the cane-growers in North Queensland are debarred from using coloured labour for field work, the sugar industry must collapse, or, as an alternative, the Chinese and Japanese will come and take the place of the European farmers. I ask, "Will this benefit the White Australian cause?" I would point out that in no other tropical part of the world is sugar grown without the aid of coloured labour; and, this being so, why should

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the Commonwealth Parliament try to go against the laws of nature, and expect Europeans to do the work they are not suited for?

What is the answer to the questions:—"Why are all tropical countries peopled with coloured races?" "Can the Creator have made a mistake?" The answer is plain enough. They are adapted to the climate, and they were created accordingly. Then why on earth should they not be allowed to help us to open the country and develop its resources?

This gentleman appears to have some doubt as to whether the Creator has not made a mistake. All I can suggest is that the Creator may have failed to consult the leader of the Labour Party in Australia.

Mr. WATSON.—Did the Creator consult the honorable member for Oxley as to this little matter?

Mr. R. EDWARDS.—No.

Mr. WATSON.—That is an unfortunate oversight.

Mr. WILKINSON.—What conference is the honorable member referring to?

Mr. R. EDWARDS.—The conference held at Cairns.

Mr. WILKINSON.—I have here the report of a conference held on the 20th February, at Townsville, at which quite the opposite opinion was expressed.

Mr. R. EDWARDS.—The honorable member is aware that Cairns is about 100 miles further north than Townsville.

Mr. WILKINSON.—There were delegates at the Townsville conference from the Johnstone and Mossman Rivers.

Mr. R. EDWARDS.—The climatic conditions vary in different parts of the State. I have no doubt that in southern Queensland, sugar-growing could be carried on as a flourishing industry by white labour; but the sugar-cane suffers from frost in the southern districts. If we go further north to Childers and Bundaberg we shall find that it is not a very hard matter to carry on sugar-growing with white labour in those districts. But when we get as far north as Mackay, the climate is very much warmer, and there are some persons who say that it is impossible to carry on the industry in that part of the State with white labour alone. When we get as far north as Cairns, we find that it is very much hotter than at Mackay, and Port Douglas, another sugar district, is still further north.

Mr. McDONALD.—I do not think it is hotter at Cairns than at Mackay.

Mr. BAMFORD.—Bundaberg has the record for the highest temperature in Queens-

Mr. R. EDWARDS.—I do not think the honorable member can say that is surely reasonable to suppose that it is very much greater at Cairns than at Bundaberg, seeing that Cairns is several hundred miles further north, and is within the tropics.

Mr. WILKINSON.—The honorable member will admit that there may be other conditions which will affect the climate.

Mr. R. EDWARDS.—There may be certain places, but I am justified in saying that the climate is very much hotter in the Cairns district than it is in any of the districts south of Cairns.

Mr. WATSON.—Does the honorable member think that coloured labour should be imported for the sugar plantations?

Mr. R. EDWARDS.—No, by no means, but I think that kanaka labour should be allowed until the period fixed for the payment of the sugar bounties has expired.

Mr. WATSON.—The honorable member's argument is that the industry should be allowed to die then?

Mr. R. EDWARDS.—No. I think it is possible that before the end of the time we might have a stream of farm labourers coming to our shores from Great Britain, or from some European country, who would take the place of the kanakas.

Mr. WILKINSON.—The honorable member admits that white labourers could do the work if we could get them.

Mr. R. EDWARDS.—Do not let the honorable friends contend that white labour can do this work?

Mr. WILKINSON.—The honorable member has quoted a statement which they cannot.

Mr. R. EDWARDS.—That is not the point. It is only fair that the views of both sides of the question should be put forward. The views of a man like the gentleman to whom I have quoted should be of great value to us, though we may not swerve from what he has to say. There cannot be the slightest doubt that the sugar industry is one of immense importance. The value of the sugar produced in Queensland last year amounted to over £2,000,000, and this year it is likely to amount to much more. We ought not to do anything which will interfere with the prosperity of so great an industry. I have here another interesting paper, from which I should like to make some extracts. The paper on "The Continuation of the Bonus," by Mr. R. S. Aiken,

cil of Agriculture, at Bundaberg, the  
r says—

introducing this subject of the bonus, at the  
I wish it to be clearly understood that,  
sense of the word, have I any desire to  
into a controversy, whether cane be grown  
nite labour or not, and I hope subsequent  
ers will adopt the same policy. The law  
present time is, that the bonus will expire  
end of 1906. That is the bald fact. This  
as you are aware, is paid, in the first in-  
by the manufacturer, that is to say, there  
Excise duty of £3 a ton on all sugar manu-  
factured; £2 of that is supposed to be repaid to  
cane-grower in the shape of a bonus; £1  
retained by the Federal Treasurer for the pur-  
of paying the cost of administration. Last  
there were 145,000 tons of sugar manufac-  
in Queensland, which yielded an Excise of  
£1,000; £85,000 was refunded in bonuses,  
leaving a balance retained by the Federal Treas-  
urer of £350,000. I maintain this: That either  
excise duty should be lowered; or else the  
amount of that £435,000 should be paid to the  
growers in increased bonus. We had to pay  
a rate of 6s. a ton on our cane towards the  
Government, and we get 4s. 4d. returned. North of  
Bundaberg it is 5s., south of Bundaberg we get 4s.  
If we pay 6s. we get 4s. 4d. returned. I  
think the whole of the money that is paid in  
the bonus should be repaid to the growers of cane,  
and the Excise should be lowered from £3 a ton to  
£2, as the case may be. This money,  
£435,000, is retained by the Federal Treasurer, is  
distributed amongst the State Treasurers, according  
to population, under the assumption that the  
Federal Government finds this £435,000; but I do not agree  
with that. It may strike the consumer that he  
finds it; but, in the event of the industry  
being snuffed out, is there anything to show  
that the consumers will be able to obtain their  
sugar at a lesser price than they now pay for  
it? The maintenance of the sugar industry is,  
in fact, the only safeguard that the consumer  
has that he will get his sugar as cheaply as he  
can now. There are a number of resolutions  
being brought before this conference, which will en-  
deavour to have another say, but I would like  
to say now that I sincerely hope that the rea-  
son for the extension of the bonus will be de-  
termined unanimously by this conference, more  
particularly when we have heard that in Mel-  
bourne a gentleman of the name of Peacock is  
advocating the abolition of the bonus. He is  
appealing to the fruit-growers of Victoria that  
if the bonus is done away with, he will be able  
to get the fruit-growers a higher price for their  
fruit. Is this the spirit we expected when we  
went upon Federation? Here we have a man  
advocating the killing of an industry in Queens-  
land, which is one of the principal industries of  
the whole Commonwealth. We have this man  
advocating to destroy this industry, in order  
to build up the fruit industry of Victoria. He  
says we are large consumers of the article  
and he makes. I sincerely hope that we will  
settle this bonus question, because, in its wisdom,  
the Federal Parliament has expressed a willing-  
ness to pay a price for a White Australia. To  
be consistent, when the bonus expires in 1906, let  
the Government re-enact it, and act as men to those  
who were induced to enter into the Federal  
Union. In this connexion, I have also been  
induced to bring up the matter of the unre-

stricted registration for cane grown by white  
labour. At the present time, if the cane-farmer  
has planted his cane with black labour, and  
wishes to sell or lease that land, the lessee or  
the buyer of that particular land would not be  
able to claim the bonus, simply because the cane  
was planted with black labour. I take it, if we  
want this white-labour policy to be a success,  
that we should open the door as widely as pos-  
sible, so that every man who desires to grow  
cane by white labour may do so. At the pre-  
sent time, many of the restrictions regarding the  
bonus hinder a man from employing white la-  
bour. If cane had been planted by black labour,  
and it was only a plant cane crop, then the owner  
would require to plough it out, and re-plant by  
white labour before he could claim the bonus.

I now propose to read the resolution moved  
by Mr. E. Swayne, of Mackay, who said—

I desire to move—"That in view of the feeling  
of great doubt and unrest which exists as to the  
continuance of the bounty, the Federal Govern-  
ment be requested to introduce at once a Bill  
to extend the provisions of the Sugar Bounty Act  
of 1903 for a further period of ten years at  
least." Mr. Aiken has spoken fully on the sub-  
ject of the bonus, but I may point out, in addi-  
tion, that this bounty, which was given us as  
a partial recompense for the labour taken away,  
does not really meet the increased cost of pro-  
duction. The resolution, therefore, contains no  
extravagant request.

I shall not read any of the speeches that  
were delivered in support of the resolution,  
which was carried unanimously, except that  
of Mr. G. A. Ball, of Killarney, who be-  
longs to Southern Queensland, and can-  
not possibly have any interest in the sugar  
industry. He spoke as follows:—

I quite agree with Mr. Cameron, that it is  
very necessary that we should ask for a definite  
time, say, ten years at least. The financial  
aspect of the question must be looked at, and I  
happen to know that already a number of farmers  
propose approaching you, Mr. Chairman, on the  
subject of the erection of a central mill for them.  
As a reasonable business man, however, I do not  
think you will invest the funds of the Queens-  
land Government in a venture which may only  
have a life of two or three years. If you put  
your money out, you will want a reasonable  
security, and I do not think this conference would  
be asking a day too long if it asked for an ex-  
tension of the bonus for another ten years.

The chairman referred to was the Hon.  
D. F. Denham, Minister of Agriculture of  
Queensland. I hope that honorable mem-  
bers on both sides of the Chamber will con-  
sent to the extension of the sugar bonus  
for another ten years. I am sorry to say  
that Queensland has not benefited to any  
great extent as the result of Federation.  
No consideration is extended to that State,  
even in regard to the mail steamers.  
Queensland has lost £2,180,000 through  
the operation of the Federal Tariff, whereas  
Western Australia has benefited by the  
addition of £1,500,000 to her revenue.

Therefore, I consider that Queensland, with her great sugar industry, is deserving of every consideration. I would ask honorable members to bear in mind that this industry was built up by means of a peculiar class of labour, and that but for such labour the industry would not have been established. We must have sugar, and, as we know that that product is grown in other countries by employing black labour, I see no great objection to our utilizing that class of labour in our own cane-fields.

Mr. POYNTON.—The sugar industry was built up in New South Wales without the aid of coloured labour.

Mr. R. EDWARDS. — New South Wales would not be able to grow a sufficient quantity of sugar to meet all the requirements of the Commonwealth. If we have lands suitable for the growth of tropical products, we should put them to the uses to which they are specially adapted, even though we may have to employ a limited number of black labourers. What harm have the kanakas done to Australia?

Mr. PAGE.—We do not complain so much of the kanakas as of other coloured aliens.

Mr. R. EDWARDS.—And yet the kanakas are being sent away from Australia, whilst no attempt is being made to get rid of the more objectionable class of coloured aliens, or to restrict them in their employment.

Mr. TUDOR.—We tried very hard to restrict their introduction by means of the Immigration Restriction Act.

Mr. R. EDWARDS.—Then that Act has apparently not been a success. As I have said, the people of Queensland have lost a very large sum through the operation of the Tariff.

Mr. PAGE.—The people of Queensland have not lost that money, but the Treasury has lost it.

Mr. R. EDWARDS.—The Treasurer told us the other night that the money was not lost, but was in the pockets of the people. But I would point out that whatever has been lost to the Queensland Treasury through the operation of the Tariff, has had to be made up through the medium of other taxes which have been imposed upon the people. I am sorry to say that the residents of Queensland have, speaking generally, had to put up with much reduced incomes during the last four or five years, whereas their expenditure has been increased by 50 per cent. owing to the additional taxation imposed upon them. I

do not propose to detain honorable members any longer, but I hope that they have made up their minds to extend the bonus for another ten years.

Mr. POYNTON.—The honorable is asking too much.

Mr. R. EDWARDS.—I do not so, because the industry is well worth serving. It will be a disgrace to the Parliament if we do anything to interfere with the prosperity of the sugar industry.

Sir JOHN FORREST.—Then the honorable member must induce the members of the Opposition to vote for an extension of bounty.

Mr. R. EDWARDS.—The honorable gentleman was not present this noon when I pointed out that the members of the Labour Party are beginning to make the error of their ways. The Immigration Restriction Act would never have been passed without their aid. Occasionally, however, they overreach themselves, and then they are obliged to retract their steps.

Sir JOHN FORREST.—Every State of the Commonwealth, through its Premier, has promised to submit to its Parliament a migration Restriction Bill, and did so in some of the States it was not. In New South Wales and Western Australia, however, the Bill became law.

Mr. R. EDWARDS.—I will be Treasurer if the Immigration Restriction Act, which was operative in Western Australia, applied to such men as the honorable member hatters?

Sir JOHN FORREST.—I do not think it did.

Mr. R. EDWARDS.—That is not the case. I also hold in my hand two letters from Mr. Hertzberg, one of the leading merchants of Brisbane, and a gentleman who has made a particular study of the sugar industry, to the effect that the ship of the sugar bounty, to the benefit of that industry. I venture to say that the honorable members who have made up their minds to vote against an extension of bounty, would do well to read what Mr. Hertzberg has to say in this connection. The sugar industry is of so much importance to the Commonwealth that it is abundantly justified in having recourse to the patience of honorable members to the extent that I have.

Mr. KENNEDY (Moira).—I agree with those who claim that the time has been devoted to this debate has been entirely wasted, although I admit

the Estimates nor the Budget containing very novel or startling. It is that in the Treasurer's statement some Scriptural injunctions are used with copious extracts from various statistics. We have also various dissertations from members of the Opposition, who, by their frequently conspicuous by their speeches from the Chamber, regarding matters which should govern the conduct of the business. They are particularly desirous that the present Government should receive directions from them, as to the way in which the business of the House should be conducted. I venture to say that some of the speeches delivered during the course of the debate will well repay perusal on the part of anybody who takes an interest in the welfare of the Commonwealth. I am desiring to make any invidious distinction in this connexion, I may be said to refer to the speeches of the honorable member for Mernda, the honorable member for Denison, and the honorable member for Corinella. I have listened attentively to those debates, and particularly to the eloquent address of the honorable member for Corinella, I have been led to the conclusion that the Estimates, as they are presented, are practically those of the Government, and that they involve no question of policy, apart from the proposal to continue the sugar bounty for a further term of five years. I can quite understand the representatives of Queensland being particularly concerned in that matter. When an industry has assumed such vast proportions, it is incumbent upon us to see that by our action we do not jeopardise its existence. At the same time, we must also protect the interests of the consumers. I have heard and read from time to time, there appears to be grave reason for doubt as to whether the cane-growers in Queensland get the full benefit of the bounty which the Commonwealth Parliament intended that they should have. I am, however, purpose to deal at the same time with the sugar question in detail, because I realize that, no matter what is said now, the whole matter will be discussed again in connexion with the Estimates. Coming to the question of the interest of the States debts, which is of great importance, I would point out that the ex-Treasurer has devoted a

considerable amount of attention to it, and the Premiers of the States have met in conference to discuss it, we have had nothing further than mere abstract debating. We all know, especially those of us who have had experience in State politics, that our position in regard to the States is rather an unfortunate one, while it is also unfortunate for the Governments of the States that they should be dependent on the Commonwealth Government for a very considerable proportion of the revenue necessary for the conduct of their affairs. As was very ably pointed out last night by the honorable member for Mernda, the Customs and Excise revenue fluctuates considerably from year to year, because of unforeseen causes, and by way of illustration he recalled an experience of Victoria some years ago, when, in one year, the receipts from that source were diminished to a very material extent. I think, therefore, that it is incumbent upon this Parliament to insist, no matter what Ministry may be in power, on the settlement of the debts question at an early date. Instead of the Governments of the States being dependent on the Commonwealth as they are now, from year to year, for a considerable portion of their revenue, we should take over so much of their debts as would be equivalent to what they are entitled to receive from us. That might be a rough and ready way of dealing with the question, but I think that it would be more satisfactory to both the States and the Commonwealth than the present condition of affairs. With regard to the arrangement of details, the honorable member made a very valuable suggestion. We want the best advice on the subject that we can get. It is years since we were told by the leader of the Government of the day that an expert financier in Great Britain had been appointed to deal with this question. I do not know if the same fate has overtaken him as overtakes many who start out with a noble object in view, but for the last twelve months we have heard nothing further about the matter.

Mr. HUME COOK.—He is unpaid.

Mr. KENNEDY.—We cannot expect much from him if that is so. I was particularly pleased last night with the exhortation of the honorable member for Mernda to honorable members and the people outside not to slander Australia or Australian institutions, and I was delighted to see the effect which his eloquent appeal had upon

a speaker who had preceded him in the afternoon. It produced a feeling of astonishment in me to hear, within the walls of this Chamber, an honorable member seriously insist upon the absolute necessity of holding out inducements to people to come to these shores to settle on our rural land, to populate our cities, and to assist in production, and, in the same breath, say that no matter under what conditions they might live here, they would eventually descend to the level of blackfellows. The honorable member, in that sweeping statement, included not only the residents of the back-blocks of Australia but also the factory hands employed in our large centres of population.

Mr. HUME COOK.—He afterwards apologized.

Mr. KENNEDY.—The apology was worse than the original slander; because I look upon his remarks as a slander upon the people of Australia. I have had considerable experience in the back-blocks, both on the mountain ranges and on the plains of the western interior, and I have never seen, even as an exception, a person such as the honorable member described. I have been over the mountain ranges, which commence at the end of what is practically the suburban railway to Healesville, to Mansfield, King River, the Omeo Plains, Monaro, and on to Gundaroo, and I say that you will not find anywhere a more sturdy and better developed race, both physically and mentally, than the inhabitants of those parts. Some persons are at times inclined to deride and ridicule those engaged in rural pursuits, but to make a success of such pursuits—and the greater number of those engaged in them have been successful—there is necessary not brawn and muscle only, but brain as well. Brawn and muscle alone would not have overcome the natural difficulties that hindered settlement in the western portion of New South Wales, or on the mountain ranges and tablelands of Australia. Forethought and perception were also needed. What has developed the country on the tableland between here and Sydney—and I refer more particularly to this country, because I know practically every inch of it? In my short lifetime enormous forests have been levelled, and comfortable homes built, not merely by the exercise of muscle, but by the application of brain power to the removal of all the difficulties of the work. For an honorable member, who has appar-

ently been reared in the lap of luxury, to speak of those who have built up Australia, under conditions of hardship, living like blackfellows, and becoming a degenerate race, is to slander our people. I have not a full knowledge of the condition of those employed in our factories, but I have a slight knowledge of the conditions in Melbourne, and I say that the honorable member had visited the factories, and had seen the people who work there, he would know that his remarks were a slander upon them. I admit that whenever large numbers of people are crowded close together, as they do in some of the larger cities of Australia, there is sure to be a certain amount of destitution and poverty. But it is only where the bread-winners are unable to find constant employment, and thus to earn sufficient to give their families a reasonable degree of comfort, that absolute destitution. It is when people living in large cities are unable to find employment in the factories or elsewhere, that the honorable member spoke so slightly of poverty and wretchedness arise. What proposal has he to make for the improvement of the lot of the workers of Australia? The honorable member poses as one who would do much for the Commonwealth, yet he would expose our workers to the strictest competition on the part of the races of the rest of the earth. I will give a few moments to direct attention to what I think is incumbent upon the present any other Ministry actuated by any desire to promote the welfare of Australia. Statements are periodically made that the first duty of the Government is to attract immigrants to our shores. The honorable member for Hunter, and others of his ilk, have again and again urged that should be done. It is certainly desirable that we should have a larger population, as the cost of government would be distributed over a wider area, and would fall more lightly on the people individually. I maintain, however, that it would be absolutely useless to encourage immigration unless we could provide those who come with employment. The statement has frequently been made by honorable members of the Opposition that the labour situation of recent years—and particularly the Immigration Restriction Act—has been chiefly responsible for the stoppage of migration to Australia. I should know, however, how it is that practically before the advent of the Labour Par-



political life of Australia, and consequently prior to the passing of labour legislation, immigration to Australia had not ceased, but we were unable to retain population that we had. In support of this assertion, I refer honorable members to *Coghlan*. I regret that the contentious representatives of New South Wales, who are constantly drawing attention to the absence of Ministers or their supporters from the House, are to-night conspicuous by their absence. They are first to complain when any of the Ministerial supporters are not present to listen to their railings against the Government, because of some imaginary fault, and yet, in a reply is forthcoming to any of the statements which they are so prone to make, they are missing. If an honorable member on this side of the House leaves the Chamber to secure some much-needed refreshment, after listening to them for hours, there is at once an outcry, and a demand for a Ministerial supporter to enter the billiard-room while the member is sitting is little short of a crime. And yet these honorable members absent themselves without question. What were the conditions prevailing in New South Wales before the establishment of the Commonwealth? If honorable members turn to *Coghlan*, page 154, they will find that in 1893—years before the Liberal Party in New South Wales could have done any damage, because they were under the paternal care of the right honorable member for East Sydney, who maintained office by means of their support—New South Wales lost, by emigration over immigration, 1,560 persons. In 1896, when the leader of the Opposition in this House was still Premier of New South Wales, and there was no labour legislation, and not even an Immigration Restriction Act in force, the number of emigrants from that State was 3,967 in excess of the immigrants.

Mr. AUSTIN CHAPMAN.—The right honorable member for East Sydney was then producing New South Wales to all the theories of free-trade.

Mr. KENNEDY.—That is so. A still more remarkable fact is that in 1902 and 1903—when the Immigration Restriction Act was passed by this Parliament—New South Wales had an excess of immigrants over emigrants totalling over 11,000.

Mr. FULLER. — The immigrants came principally from Victoria.

Mr. KENNEDY.—I am not referring to the places from which they came—that is for the moment an immaterial consideration.

Mr. McCAY.—It is important having regard to the fact that the honorable member says that the Immigration Restriction Act was then in force.

Mr. KENNEDY.—That may or may not be.

Mr. WATSON. — If this immigration came from Victoria it had nothing to do with the Immigration Restriction Act.

Mr. KENNEDY.—Quite so. As to the statement that they came from Victoria—

Mr. FULLER.—We were glad to have them.

Mr. KENNEDY.—And Victorians are glad to go to New South Wales, for it is a splendid, although, in part, undeveloped, country. *Coghlan* shows that the population of Victoria, as compared with that of New South Wales, is practically congested. In Victoria we have 13.76 persons to the square mile, while in New South Wales the number is only 4.61 to the square mile. Those who have traversed the mountainous districts as well as the western plains of the two States know that there is proportionately a larger area of good land in New South Wales than there is in Victoria.

Mr. CAMERON.—But the honorable member includes all bad land.

Mr. KENNEDY.—I include the whole area of each State.

Mr. CAMERON.—What is the proportion of bad land in New South Wales?

Mr. KENNEDY.—Speaking from practical knowledge and experience, I can say that proportionately, there is a larger area of waste land in Victoria than in New South Wales. As a matter of course, the trend of population is from the more congested districts to country in which the population is sparse, and which offers opportunities for progress and development. There has been a constant stream of emigration from Europe to America, and for very many years from Victoria to New South Wales. Those who are engaged in agricultural and pastoral pursuits can account in a small manner for the aggregation of people in centres of population. Take farming as an illustration. The same amount of labour is not required on a farm to-day to produce any given quantity of grain or other produce

as was needed twenty-five years ago. An enormous proportion of the work of production on the farm to-day is practically done in the factories in the city. Suppose that thirty years ago, when my experience as a farmer began, a man had a crop of one hundred acres of wheat. Assuming that he had a reaper, which was not commonly in use at that time, it would take ten men with a team of horses ten days to take off the wheat, and from twelve to fifteen men with a threshing machine two days to put the wheat into bags. What is the condition to-day? Two men, or, to use the general expression, a man and a boy, who is off-sider to bring a change of horses and sew the bags, now take off the same acreage and bag the wheat in ten days.

Mr. CAMERON.—If the farmer uses a stripper, but not if he uses a reaper and binder.

Mr. KENNEDY.—Owing to the width of cut, he cuts it in less time with the reaper and binder than he did with the old reaper, and, with three men and a team of horses, he puts it in the stoop in seven days. The labour which was engaged on the farm thirty years ago is now employed in the factory making the machine. If it is not so employed there it has been displaced entirely, and the labour of America or Europe, or Great Britain, is employed to make the machine.

Mr. FULLER.—Will the honorable member tell us the difference in the area under cultivation and the production to-day, as against twenty years ago?

Mr. KENNEDY.—I have not the figures at hand, but they are to be seen in the *Statistical Register*. Given a normal harvest in Victoria, the production of wheat in the mid-eighties was practically just as great as it is to-day.

Mr. FULLER.—Will the honorable member quote the figures for New South Wales?

Mr. KENNEDY.—It was the inability of the Victorian farmer to get land, the peculiar conditions prevailing amongst the pastoralists in southern New South Wales in the early nineties, and their utter inability to deal with foot-rot in sheep, that developed wheat-growing there, under a system of slavery.

Mr. FULLER.—That is a new idea! I never heard of that before.

Mr. KENNEDY.—With very rare exceptions, no man can successfully grow

wheat on the share system in New Wales.

Mr. FULLER.—I know that it is very successfully in the constituency of the honorable member for Bland.

Mr. WATSON.—Successfully for the owner.

Mr. KENNEDY.—It is absolutely successful for the land-owner, and as to the production for the State generally it is absolutely unsuccessful for the unfortunate producer.

Mr. FULLER.—A number of Victorian farmers are doing well under the system to-day.

Mr. KENNEDY.—I admit that a number of Victorian farmers went into New South Wales on the share system, with the idea that at an early date the pastoral leases then about to expire would be made available for selection. But for one cause or another that was not done. When the seasons were good and the labour normal, the men were able to get a return for their labour, but when the seasons became irregular and prices went below a certain level, they did not get their sustenance for the year. I know some men who went over to Southern New South Wales with their plant, prepared to put in a year and wait for an opportunity to get their own; but, unfortunately, in many cases, at the end of a few years the squatter had the plant, while the man had the experience.

Mr. CAMERON.—And still they are pouring in from Victoria.

Mr. KENNEDY.—Yes, they keep pouring in, and a number have been able to acquire holdings of their own. The same remarks apply more particularly to the country lying between the Murrumbidgee, and extending to the Lachlan. Frequently when a block of land is made available there it is taken up by from 300 to 500 persons, beyond all doubt that sufficient land is available to satisfy the number of persons. I am one of those who do not attract population to Australia. In the first instance, there is a divided duty. The Commonwealth has no land to offer. The land is directly under the control of the States, but, unfortunately, no State has formulated a scheme by which it would be possible for men without means to get to the land, and make a livelihood.

Mr. DEAKIN.—Does the honorable member mean men in this country?



Mr. KENNEDY.—I mean men in or of this country. If there is a man in the world who can make a living on a bit of land with very little means to start with, it is the Australian. If an Australian has an intimate knowledge of local conditions, and who has been reared to the pursuits, cannot succeed on land without money, certainly the man who comes from a foreign country will not do so without undergoing a very bitter experience indeed. Some States Governments have made an attempt, by resumption, to get the Crown land available; but as has been shown in New South Wales, the Crown land available is not equal to the demands.

Mr. WATSON.—They cannot find land at present for the sons of their own farmers.

Mr. KENNEDY.—No. The States Governments have made an attempt to resume private lands, but so far as I have been able to gather, the results have not been satisfactory. The Victorian Government has a scheme of land resumption for rural settlement, but up to the present time it has not been a success. There are many reasons which have contributed to this result, but perhaps it is not desirable for me to enter into a dissertation on them, although I feel rather disposed to do so. Apart altogether from the price which is paid by a State Government to the land owners, the first consideration should be to secure land suitable for rural settlement. It is absolutely useless for a Government to think that a man can take up a small area of land, and make a livelihood. We are going to have closer settlement, and must have good land with a good climate. But there is one direction in which the Commonwealth Government can do much towards attracting people to Australia and keeping those who are here from going to other countries to find employment. I referred a few months ago to the fact that, owing to mechanical contrivances and scientific developments, an enormous amount of farm labour has been dispensed with as compared with fifty-five or thirty years ago—perhaps not so far back. That labour has practically been forced into the factories of the towns; and this does not apply to production only. It relates also to marketing. To-day it is an unknown thing for butter to be put up in a complete form for market on the farm where the cows are milked. Thirty years ago, under the

old pan system of separating milk and working the cream up into butter, a considerable amount of labour was employed. To-day the grazing of the cows is, of course, conducted on the farms, and the milking is done there, but practically all the rest of the work is done in factories. Large quantities of the butter exported from Australia is made up in Melbourne or some other convenient centre. With regard to our meat trade also, the whole of the sheep slaughtering is practically done at large establishments at the ports of shipment. Labour is consequently displaced, and if employment is not found for it in some other direction, the result must be that you will have men adorning the street corners of the cities, besieging Parliament House, and asking the Government to start relief works. Unfortunately, in the past, instead of devoting ourselves to meeting our own requirements, and finding profitable work for our own people, we have contracted the habit of borrowing money for relief works. That is unfortunate in two ways. In the first instance, the country incurs indebtedness, for which we have nothing whatever to show. In the State of Victoria, I could point to many works that have been carried out under those conditions, and I believe that the same remark could be made concerning some of the other States. But the second effect is worse still—that the self-reliance and energy of our population is sapped to a considerable degree. What applies to Melbourne applies equally to Sydney. You have men beseeching Parliament to find work for them. No Parliament could, without a violation of humane principles, allow men to starve, who are willing to work. But it is not in consonance with a policy of progress and development that we should spend enormous sums of money on relief works.

Mr. LIDDELL.—Must we not have a surplus working population? Otherwise, how are we to get in the harvest?

Mr. KENNEDY.—In a community such as ours—with a continent of over 3,000,000 square miles—with a few people dotted round a part of the seaboard—is it not absurd to think of having a surplus industrial population, merely for the sake of reaping a few million bushels of wheat at harvest-time, when there is practically little surplus labour required nowadays to take off such a crop?

Mr. CAMERON.—Is there not a disinclination on the part of people generally to go from the towns to the country to work?

Mr. KENNEDY.—I have never observed such a disinclination. I can say as one who has been on both sides of the fence—as a labourer and an employer of labour—that I have never known any difficulty to be experienced in obtaining labour. But, unfortunately, I have seen, during the last ten or twelve years, a compulsory drift of men from the rural and pastoral districts, simply because they could not find employment.

Mr. POYNTON.—And could not get land for themselves.

Mr. KENNEDY.—No, they could not. In the district in which I have been living for many years, a considerable number of men like myself, not altogether “degenerates,” not frightened of a day’s work, not bearing any close resemblance to a blackfellow, claiming to have sufficient muscular force to hold their own in the race, and sufficient brains to know when it is raining—

Mr. JOSEPH COOK.—I believe that the honorable member for Hunter has a bigger muscle than the honorable member for Moira has.

Mr. KENNEDY. — Last night I advised the honorable member for Hunter to make an examination of those on the front Opposition bench.

Mr. JOSEPH COOK. — I cannot stand this.

Mr. KENNEDY. — I ask the honorable member not to retire to the billiard-room. I prefer that he should remain here. It is unfortunate, I say, that for many years past, in the agricultural and pastoral districts of Victoria, there has been, for obvious reasons, a drift of population that should have been enabled to settle there, by the subdivision of holdings or some such method.

Mr. LIDDELL.—I call attention to the state of the Committee. [*Quorum formed.*]

Mr. KENNEDY.—I am delighted to see the honorable member for Hunter present, and to observe that he does not appear to be suffering so completely as I thought from the aberration of intellect which he last night suggested prevailed in this Chamber; though I do think there were some premonitory symptoms when he allowed his imagination to run riot in regard to the degeneracy of the people of Australia. I have already said that, in regard to our

population, one chief factor is within the control of the States Governments. But there is another factor, of importance, within the purview of Parliament. I allude to the possibility of industrial development, more particularly relating to manufactures. In reference to this, I feel that there is a possibility of again raising the fiscal issue, and a certainty of a few more fine speeches from the Opposition benches, if they are again occupied. However they may be, I venture to say that the Commonwealth Government can do much to counteract the possibility of creating a race of paupers, such as were referred to by the honorable member for Hunter last night.

Mr. KELLY.—That is hardly fitting that the honorable member for Victoria should make a personal explanation.

Mr. KENNEDY.—The personal explanation was, if possible, a greater improvement than the original statement. Progress in the rural districts to-day is calculated with practically one-tenth of the labour which was required twenty-five years ago. If we are to maintain a population in this country, it is absolutely necessary that the place be attractive and self-contained as far as possible. We have heard of pictures painted—

Mr. KELLY.—By whom can one get a glowing picture painted?

Mr. KENNEDY.—By a poet. We have had glowing pictures painted of the conditions held out in Canada and the United States to the people of the densely populated centres of the old world. But those who draw such pictures forget the policy which prevails in both of these countries. Those honorable members have never admitted, although the fact might be questioned, that in them their free trade theories would be held up to ridicule in the United States and in Canada, where there are almost prohibitive Tariffs.

Mr. CAMERON.—And there are no free trade policies.

Mr. KENNEDY.—The people of the United States and Canada, being self-governing, cannot control or suppress monopolies within their own borders; whereas we in Australia know that it is impossible to do so. Monopolies which are beyond our control. As an Australian, I am not afraid of the operation of any monopoly in Australia, while we are a self-governing community. It would be an admission of weakness

that when a monopoly became injurious and unduly oppressed the whole or a section of the people, this Parliament—which is practically a committee of the people—would be unable to meet the circumstances.

Mr. CAMERON.—There is a sugar monopoly and also a tobacco monopoly, and nothing has been done.

Mr. KENNEDY.—The honorable member would, I think, be very loth to do anything to abolish the tobacco monopoly.

Mr. CAMERON.—Let me have the opportunity, and I shall show honorable mem-

Mr. KENNEDY.—I believe there will be an opportunity in the future. I am, however, being drawn off the thread of my remarks. While it may be admitted that Canada and America are easier of access to the populated centres of the world than Australia, the fact remains that there are advantages presented by those countries which will eventually end. As regards the possibilities of agricultural or pastoral production, no author or authority has ventured to say that the advantages are in favour of Canada, where the people are practically bound for months and months every year when their stock has to be fed and fed. Such conditions are practically unknown in Australia. The latest returns show that the industrial development of Canada is, as a matter of fact, a greater one than its agricultural progress. The exports of manufactures from Canada are greater than the exports of agricultural products. Is that possible under the conditions of the Commonwealth of Australia? Can we in Australia desire any commodity for ourselves, apparently the proper thing to do is to purchase them from abroad.

Mr. KELLY.—Is this the same honorable member who was talking fiscal peace last year?

Mr. KENNEDY.—Is fiscal peace possible while there is a remnant of the Free-Trade Party in existence?

Mr. CAMERON.—We on this side are a majority; there is only a coalition on the Government side.

Mr. KENNEDY.—It is fortunate for the people of Australia that there is now a Government in power with an absolute majority. The honorable member for Wilmot does not constitute a Government with a majority to-day.

Mr. CAMERON.—When I did, the Government had security of tenure, which the

present Government have not; they have to depend on the Labour Party.

Mr. KENNEDY.—To-day, when a question is raised by the Government as to their future, they have not to say, "Yes, Mr. Cameron."

Mr. CAMERON.—No; it is "Yes, Mr. Watson," now.

Mr. KENNEDY.—The Government, of which the honorable member for Wilmot constituted the majority, was held in suspension like Mahomet's coffin, for a week, waiting for the sweet voice of the honorable member.

Mr. CAMERON.—I am glad to know my voice is sweet.

Mr. KENNEDY.—There has now been a complete sweeping away of the old shreds and patches; and if the late Government majority will allow me to get in a word, I would point out that the present Government are here by the support of a majority of the representatives of the people of Australia in the Commonwealth Parliament.

Mr. WATSON.—The Government have a working majority.

Mr. KENNEDY.—The present leader of the Government is not responsible for the existence of the Labour Party, or for the presence in this House of any particular representative. Unfortunately, it has been a cause of distraction in public life in the past that leaders of parties, as parties are constituted, do not recognise the handiwork of their masters, the electors. No one of us has any right to challenge the presence here of any honorable member, no matter whom or what he represents. He is here at the will of our masters. The only appeal which honorable members opposite can make against the existing condition of affairs is an appeal to their masters.

Mr. McCAY.—Give us a chance.

Mr. KENNEDY.—In spite of anything that any of us may do, we shall all have that chance. I speak here without any undue pressure, and I honestly admit, as I have told my constituents, that I am not consumed with any burning desire to go back to the public platform, and look into the cold eye of the inquiring elector. But when the time comes, I will face the situation in good faith.

Mr. WATSON.—The honorable member for Wilmot distinctly stated that he did not desire a dissolution, and therefore voted for the Reid-McLean Government.

Mr. CAMERON.—No, I did not.

Mr. KENNEDY.—The present appeal to us to go before the electors is not business. The present Government and their policy are fairly established, so far as I can judge. I may get a surprise; surprises have come to supporters and to leaders of Governments before, even when they have thought they had a trump card up their sleeve. But the sky is practically clear to-day. I was attempting to show that it is incumbent on the present Government to realize how essential it is that we should be a self-sustaining people. That is not raising the fiscal question.

Mr. HENRY WILLIS.—Does any one oppose that idea?

Mr. KENNEDY.—Even in the present debate we have been told that we should subject our labourers, whom we are supposed to protect, and for whom we should secure a fair standard of comfort in living, to competition with coloured men, and with the sweated labour of Europe.

Mr. CAMERON. — Do not our wheat-growers already have to compete with them.

Mr. KENNEDY.—I am rather pleased that the honorable member has brought me to that point. In dealing with this question, honorable members opposite sometimes say, "Look at our primary producers. What assistance do they ever get." I am one of those engaged in primary production, and I represent a farming constituency. I say that, much as the producers do get—and I fully recognise that they get a very great deal in the shape of direct assistance from the State—they ought to get far more. Let me give one illustration to show what the primary producers get, and it is not an illustration peculiar to Victoria. I take it from the last Victorian Budget. I may say that States Treasurers are becoming rather harsh in the matter of grants to rural industries. They are developing a brusque, nasty way of saying "No" when an application is made to them for assistance which the applicants think desirable. But the primary producer does receive considerable State assistance. The other day we were referred to the proceedings of a Royal Commission, which show that those who posed as the saviours of the farmers were, for their own greed, robbing the farmers. It is these dishonest men who bring honest traders and merchants to ruin. These are the men who howl most against the assistance given to the producers, and against what

they call "Socialism." What is it but a policy that a State should look after the welfare of its people. That is Socialism in its true sense. The honorable member for Hunter the other evening attempted again raise the bogey of Socialism when in his own constituency the question was made, with a great flourish of rhetoric, and all the eloquence of the leader of the party, they could not band together a little league against Socialism. In the last Victorian Budget statement for 1896-7, to show what has been done for the primary producer, and I find there a vote of £50,000 to the Treasury Department to cover a loss on the carriage of grain.

Mr. HENRY WILLIS.—That is a proper thing.

Mr. KENNEDY.—The same thing applies to New South Wales.

Mr. HENRY WILLIS.—It should be continued.

Mr. KENNEDY.—That is a point of State assistance given in the same direction. It is an instance of a vote from the State Treasury for the benefit of the primary producers.

Mr. CAMERON.—They are responsible for the carriage of goods, and must bear the loss, if any.

Mr. KENNEDY.—I think the honorable member for Hunter should examine the policy of the honorable member. We hear honorable members on the other side telling the story of Australia that the primary producers get no assistance from the State. The Victorian Railways Commissioners have been appointed to manage and control the carriage ways of the State, and to fix the rates for the carriage of produce. Under the management of the State Government, the primary producers are compelled to carry grain at a rate which the Commissioners say it is impossible for them to carry it profitably. As a consequence, a loss is made by the Railway Department on the carriage of grain, and a vote of money is voted from the State Treasury to recoup the amount last year of £50,000.

Mr. JOSEPH COOK.—To help private individuals to make profit.

Mr. KENNEDY.—Yes.

Mr. McCAY.—And the honorable member calls that Socialism?

Mr. WATSON.—Of course it is.

Mr. JOSEPH COOK.—The honorable member for Bland would take the loss on the farm from him?

WATSON.—I would not. I am not a taxer, as the honorable member for Maitland is.

JOSEPH COOK.—The honorable member is a double progressive land-taxer.

KENNEDY.—The Agricultural Department of Victoria spends £10,000 a year in protecting the stock-owners of the State from the ravages of diseases in stock. The Department also spends £15,000 a year in aid of technical education. I think these are examples of State assistance in the right direction, and for honorable members to say that the primary producer deserves no consideration from the State is to come to a wrong conclusion.

JOSEPH COOK.—The object of all the votes is to build up private enter-

KENNEDY.—In Victoria the muni- cipal subsidy is a vote of which the primary producers indirectly get the benefit. It is granted to cities, towns, boroughs, or rural shires, so that practically only the local districts participate in the subsidy, which amounts to something like £100,000.

In addition to that and other indirect votes there are direct votes totalling over £1,000,000, to recoup the railways for losses in the carriage of grain, for technical education to assist the viticultural industry, and so on, all of which are a recognition of the duty of the State to help its primary producers. Therefore it follows, as a matter of course, that it is the duty of the Commonwealth in imposing Customs taxes to do all that is possible to establish industries to give employment to our people, and as the duties would not operate in any way as to prove a hardship to the producers. But there is another direction in which this Government must move if it is to achieve some of the objects for which the Commonwealth was instituted. It has been pointed out that in the Northern Territory and South Australia we have an immense undeveloped country which is to-day practically neglected and undeveloped. At the commencement of Federation we decided—in the Union rightly—that we would have a Commonwealth of Australia; but no man who regards the future with an unprejudiced mind can say that it is impossible that we, although flying the British flag, can continue to hold the country for ever if it remains undeveloped.

The Commonwealth Parliament has conferred upon it the right to grant subsidies, and the States have been deprived of that right. It was bitterly regretted in

Victoria that the States should have been deprived of that right, because we were attempting, just prior to Federation, to further the development of our agricultural production, which could be stimulated in many directions unnecessary for me to enumerate. Among other industries we could assist the production of beet sugar, which has done so much for the nations of Europe. Although we grow sugar cane in the north, it would be possible for us to grow beet in the southern States. I hope that I shall not arouse the wrath of the representatives of Queensland in making this suggestion.

Mr. WILKINSON.—We should like to see it done.

Mr. KENNEDY.—The production of beet gives immense possibilities for closer settlement; yet the Commonwealth Government has not given it consideration.

Mr. FISHER.—We have passed an Act providing for the granting of a bounty on the production of beet sugar.

Mr. KENNEDY.—The Government has not made any other proposal in that direction.

Mr. FISHER.—The producers of beet could claim a bounty under the Excise Act.

Mr. KENNEDY.—Apart from beet, we have the right soil and climate for the growing of flax, and I have heard the best authorities from the flax producing centres of the old world say that they have seen fibre produced here which is equal to any on the face of the earth. Practically nothing has been done to develop that industry, though flax is another crop which may be grown on small areas, and lends itself to the encouragement of close settlement.

Mr. HENRY WILLIS.—Flax is largely grown in New Zealand.

Mr. KENNEDY.—The New Zealand flax produces a coarse fibre suitable for twine making; but I have been assured by one of the best authorities in Australia that a fibre could be obtained from the flax grown in Australia which, for the making of linen, would be equal to any in the world. Then, nothing has been done to encourage the production of linseed, of which we use an enormous quantity. Tasmania has taken one of our flax-growers, a man whose name will live in history for his enterprise and his experiments, which have proved that in Australia we can depart from the methods of the old world, and instead of pulling and retting the flax, and adopting other processes which are

necessary there, can cut it with a reaper and binder, ret it in the open, and find a market for the fibre. But when we were dealing with the Tariff, honorable members opposite said that we should not manufacture a pound of twine in Australia.

Mr. HENRY WILLIS.—We do not talk like that.

Mr. KENNEDY.—That is practically what was said. Here is an industry which is wholly a primary one, and yet honorable members, when it was shown beyond a shadow of doubt that users of twine would not have to pay more for it if an effective duty were imposed, refused to give any assistance.

Mr. CAMERON.—Is the honorable member aware that flax is a most exhausting crop?

Mr. KENNEDY.—Yes; and I am aware of a number of other things in connexion with agricultural production. The honorable member for Mernda, last night, made a very valuable suggestion in regard to the Northern Territory, which is yet undeveloped. I think, with him, that it is incumbent upon the Government to move at a very early date to test the possibilities of that great country. We have not all reached the blackfellow level yet, and if it is proved that the development of that territory by white people is possible, there is sufficient capital and enterprise, sufficient brawn, muscle, and brain in the community to bring it about. I think that that territory could be developed on the lines suggested by the honorable member for Mernda. What are a few thousand pounds compared with the possibilities of the development of that country, and the danger to Australia if it remains long undeveloped? I do not doubt the righteousness of the White Australia policy which this Parliament enunciated. One has only to read American publications of the day to know how difficult is the problem which confronts the American people in the "big children," or black population, of the United States, who although originally imported as slaves, are to-day free, and, under the Constitution, entitled to equality with the whites. But is there equality? Will any honorable member say that there is? I ask those who hesitate between a white and a piebald Australia to consider that problem in all seriousness. We have not to deal with it in Australia, and we should not, even as a last resource, make it possible here. But, at the same time, it is our duty and obliga-

tion to develop our territory, and not perform it great danger will be done to Australia in the future.

Mr. DEAKIN.—If we do not use it, it will not belong to us.

Mr. KENNEDY.—That is the point I take up. We are within reach of the teeming population of the East that a handful of people could hold our country against their attacks. Should they be moved to possess it, or not?

Mr. POYNTON.—They are not coming into the Northern Territory.

Mr. KENNEDY.—I am not concerned of what may happen to-day or to-morrow for what is a generation in the future? But if we are to fulfil our duty to Australia, we must look, not to the immediate future, but to the years to follow. Has the Empire been built in a day, a year, a generation, or even a century? We pride ourselves on our ability to do this, that, and the other, but jealous of the traditions of our race, we then should we leave this great country undeveloped? There is the germ of possibilities in the suggestion of the honorable member for Mernda. The Government should formulate some practical scheme, selecting particular locations, having regard to variations of climate and soil, with a view to forming settlements to test the possibilities of the territory. There is not run any risk of failure for the cost of a few thousand pounds, because the country must be developed if we are to succeed. That is the view I take of the situation, and I trust that, instead of being said continuously that the Government under consideration, some effort should be made to solve the difficulty, and that we shall accomplish results that will be to the credit of this Parliament. This is one other matter to which I should like to direct attention, namely, the impression that appears to have been formed that the Federal Parliament is guilty of extravagance. I do not think that I ever saw any institution that suffered from extravagance or impecuniosity. The honorable member for Hunter adopted some haphazard system of calculation, by which he put up, in one breath, a number of items, of which about £2,500,000 was expended in a year or two.

Mr. LIDDELL.—I did not refer to the proposed expenditure on the Capital.



KENNEDY. — Nothing will be that regard for some time to come.

LIDDELL.—I do not see much promise for it in the Estimates.

KENNEDY.—Strange to say, those who were prepared by the Government to support the honorable member was a sup-

MCCAY.—And which the honorable member also supported.

KENNEDY.—Yes; consequently I have no fault to find with them. Even the honorable and learned member could find no fault with the Estimates. He, however, charged the Treasurer with extravagance and profuseness of expenditure, and declaimed against him for his extravagance. The Treasurer had actually done nothing but something that the honorable member did not wish to have de-

MCCAY.—I did not charge the Treasurer with extravagance, but said he had a right to be so for extravagance.

KENNEDY.—One might as well throw a horse in pound for looking over the fence of a good grass paddock. We have no fault with hard facts. There has been no increased expenditure in some directions, but in others it would have been unreasonable to expect that no expansion would take place in the Post and Telegraph and Defence Departments. I have very decided opinions regarding the question of defence, and I am always prepared to listen to the views of experts, and I desire to highly commend the honorable and learned member for Corinella on his contribution to the discussion. I was really delighted to hear him speak as an ex-Minister, and as, in some degree, an expert, and I always listen with respect to what he has to say. I do not propose to discuss the question further than to say that in all seriousness, that we should do more in the direction of defending our ports and harbors, and securing suitable means to meet the requirements of the Australian Squadron.

MCCAY.—That is our first duty.

KENNEDY.—Yes. Now, returning to the charges of extravagance that have been made against the Commonwealth, those who regard our expenditure as unreasonably large, appear to forget that this Government, whatever its policy may be, or whatever expenditure it incurs, is living within its income—when the bill is settled, there is no

more trouble; there are no interest charges to meet and no indebtedness is built up. It has been reported in the press that we have considerably increased the expenditure on certain Departments, and I wish to mention one case by way of illustration. Those of us who were in the States Parliaments, do not forget that there seemed to be a burning desire, immediately prior to Federation, to increase salaries in the Departments that were about to be transferred to the Commonwealth. In Victoria, a special Act was passed just towards the close of the session with a view to provide increased salaries for the transferred officers. Some members appeared to think that the Federal Government would have to foot the bill, and it entirely escaped their attention that the Victorian taxpayers would be called upon to bear the burden. The extra expenditure thus provided for is now attributed to the extravagance of the Federal Government. The Tasmanian Parliament took somewhat similar action.

Mr. CAMERON.—One or two Tasmanian members opposed the proposal.

Mr. KENNEDY.—Yes, but the majority carried their point. We are also charged with extravagance in connexion with additions, and new works and buildings in the transferred Departments. If the honorable members will carry their minds back to the period immediately prior to the establishment of the Federation, they will remember that all the States Governments became severely economical in regard to the transferred Departments.

Mr. POYNTON.—They were more than economical.

Mr. KENNEDY.—Exactly; they became penurious. They thought that the Federal Government would have to fix things up; they forgot that the States would have to bear the cost of any works that were carried out. I find that in the Customs, Post and Telegraph, and Defence Departments the expenditure on additions, new works and buildings, in 1901-2, amounted to £94,000. In 1902-3 the expenditure increased to £157,000. In 1903-4, only £3,400 was spent, whereas in 1904-5, the outlay amounted to £333,000. The estimated expenditure for the current year is £417,000. What I wish to emphasize is that every shilling of this money has been provided out of revenue. In looking through the papers which were circulated in connexion with the Budget of

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1903-4, I find a table showing the condition of affairs that existed in the year prior to the transfer of the various Departments which are now under Federal control. That table shows that out of the total expenditure of £450,000 by the States, on these very services, £412,000 represented loan money, the effect of the expenditure of which the taxpayer did not immediately feel. But what is the position to-day? After five years of Federal control, these services are costing £417,000, every shilling of which will be paid out of revenue. I contend, therefore, that we have set a good example to the States. Ample evidence is forthcoming that the Commonwealth has been guilty of no extravagance whatever, and in addition we have established the great principle that whatever expenditure we incur must be met out of revenue. There is only one other matter to which I desire to refer. I wish to throw out a gentle hint to the Government in regard to future English mail contracts, because I am satisfied that they will be in office when a fresh contract requires to be made.

Mr. CAMERON.—When will that be?

Mr. KENNEDY.—Two years hence.

Mr. KELLY.—The same people may be upon the other side, but the same team will not be in office.

Mr. KENNEDY. — The company is good; let the honorable member make no mistake about that. It was an outrageous action on the part of the late Government to sanction the existing mail contract under the conditions that they did. Altogether apart from the question of the employment of black labour, they appear to have entirely lost sight of the interests of the producers of Australia. It was within the knowledge of every member of that Government, and of their supporters, that those engaged in the export of perishable produce from the Commonwealth were, from one reason or another, absolutely at the mercy of the shipping ring.

Mr. KELLY. — Does not the honorable member know that the present Government propose to ratify that contract?

Mr. KENNEDY.—I am giving the Ministry my view of the matter. Despite the knowledge that the shippers of perishable produce from Australia were being charged exorbitant rates — chiefly owing to the action of the shipping ring, in which the mail companies are prominently interested—the late Government al-

lowed them to remain at the mercy of that ring.

The CHAIRMAN. — Order! Under the Standing Orders, the honorable member cannot discuss that question in detail, inasmuch as it already appears on the business-paper in the form of a notice of motion.

Mr. KENNEDY.—I merely desired to make an incidental reference to it. The late Government have had justice meted out to them. When a subsidy is being paid for any particular service, it is the duty of the Government to see that the interests of those who find the money are not neglected. We know very well that in the past the shipping companies absolutely refused to carry butter to the old country for less than 2d. per lb.; but after a contract had been entered into with one of those companies for the carriage of our mails, the producers of Victoria banded together and succeeded in obtaining a weekly service from another company, which charged them only just one-half that rate of freight. Is not that conclusive proof of some dereliction of duty on the part of the Government? Do we not also know that a member of the late Government was pestered by a representative of one of the companies which was anxious to secure the English mail contract, not only at his office, but even in the railway train?

Mr. KELLY.—That was the time for the honorable member to speak.

Mr. KENNEDY.—I did not have the opportunity to do so, because Parliament was not in session.

Mr. McCAY.—Will the honorable member point out how the producer would have been better off if the present contract had not been accepted?

Mr. KENNEDY.—There would have been £120,000 in the Treasury which could have been operated upon for the purpose of inducing another company to undertake the carriage of our mails. I regret that my remarks have been somewhat disjointed. I am sorry that some of the results which were anticipated from Federation have not been achieved. Much has been done, but still more remains to be accomplished. It was anticipated that Federation would result in economies that were previously impossible, and more particularly in relation to the work now carried out by the Agents General of each of the States. The London



of the States involve an annual expenditure of something like £30,000 and the result so far as the Commonwealth is concerned is not very satisfactory. In connexion with these larger issues I should like to see the Government action, in order that some of the benefits which were foreshadowed as likely to be enjoyed by the Federation may soon be enjoyed by the people. I wish it to be understood that I am not disappointed with Federation. I have no fault to find with what has been achieved by it, but am still more anxious for the future, and trust that the Government will devote their best efforts to the realization of the anticipations of patriotic Federalists.

Proposed vote agreed to.

## SUPPLY.

### ADDITIONS, NEW WORKS, AND BUILDINGS.

#### DEPARTMENT OF HOME AFFAIRS.

*Committee:* (Consideration resumed 24th August, *vide* page 1473):

Division 1 (*Trade and Customs*),

4. PAGE (Maranoa).—I think that the Treasurer should explain for what purpose the vote of £1,909, in subdivision 1, is required.

DEAKIN.—Let the honorable member state the object.

KELLY (Wentworth).—I regret that the Prime Minister should have pulled my pugnacious friend with so much force. I think that we ought to have an explanation as to the purposes for which the moneys are required.

GROOM (Darling Downs—Minister of Home Affairs).—The item in subdivision No. 1, "Custom House, Sydney, 1905," is a revote from last year to provide for improvements at the Customs House, Sydney, which is in a dangerous position. Stairs and other accommodation have to be provided, and a contract is now in progress.

Proposed vote agreed to.

Division 2 (*Defence*), £66,516.

KELLY (Wentworth).—There are a number of items in this division to which I do not object, because I desire the Department to get all the money it can. But I would point out that, whilst some of the proposed votes in respect of rifle clubs, ranges, and so forth, are no doubt necessary in their way, they are not

so urgent as are votes required to bring the naval base of Sydney into a reasonable state of preparation for the work that may be required of it. I do not propose to go into this question again; but honorable members on all sides who have spoken on the defence question have impressed on the Government the urgency of proceeding at once to get our naval bases in a fit state of preparation. There is no vote in these Estimates to complete the provision necessary to place Sydney in this respect in a proper state. I wish to emphasize the fact that, while the proposed expenditure in respect of rifle clubs is no doubt necessary, it is not so urgent as is that required, for instance, to bring up the ammunition for the guns in Sydney to a safe level, or to so increase the *personnel* of the forces as at any rate to give one gun's crew to every modern gun we have in the fortress there, or to equip that fortress against torpedo-boat attack, which has been definitely accepted as the most likely form of attack that it will have to meet. I wish to know whether the Treasurer will be prepared during the year, if he finds that savings can be effected in some other direction, to grant the money necessary to place Sydney in a fair state of preparation for all eventualities.

Sir JOHN FORREST.—I am not prepared to make a statement. Everything must depend on what is recommended by the Department.

Mr. KELLY.—I know fairly well what the Department will recommend.

Sir JOHN FORREST.—Then the honorable member knows more than I do.

Mr. KELLY.—Of course one must not expect the Treasurer to know much about his own Estimates. I would remind him, however, that this is a matter of vital importance to half a million of people, and surely they are entitled to some consideration. It is not only Sydney but almost every port in the Commonwealth which needs to be put in order.

Sir JOHN FORREST.—These estimates were framed by the late Government.

Mr. KELLY.—I am not complaining of any items on these estimates.

Mr. PAGE.—The late Minister of Defence said it would take £800,000 to put our defences in order.

Mr. KELLY.—I quite agree with the honorable member. But I am not expecting the Treasurer to find that sum, but merely asking that essential matters which

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are required to put the defence system on a fair footing—not on a “safe” footing—should be attended to. In no other country could a Government stay in power when it became known that it was neglecting its responsibility to the extent of leaving the country's most vital points open to immediate attack. All I am asking is that if the Treasurer has the money to spare, or can save this amount in other directions, he will attend to these essential matters.

Sir JOHN FORREST.—If they are necessary and are recommended, we shall find the money right enough, whether we make savings or not.

Mr. KELLY.—There are three matters which I think ought to be attended to. In the first place, there is a shortage in the *personnel*.

The CHAIRMAN.—There is no item on these estimates relating to the *personnel*.

Mr. KELLY.—These matters are all connected with fortifications.

The CHAIRMAN.—The honorable member will be able to refer to all these matters when the Defence estimates come before the Committee.

Mr. KELLY.—What I wish the Treasurer to provide is a few of the 12-pounder guns which every one recognises are necessary for the protection of Sydney. The cost with ammunition would be £2,000 a piece, and only a few guns would be required to enable the place to make some show of defence against a torpedo attack. If the Council of Defence recommend that such an expenditure is urgently necessary, will the Treasurer find the money during the current year? Surely that is a very small request to make?

Sir JOHN FORREST.—I am not prepared to answer the question off-hand, nor am I prepared to admit that anything the honorable member says is the case.

The CHAIRMAN.—I desire to draw the attention of the honorable member for Wentworth to the fact that these are estimates for new works, and include no provision for either ammunition or guns.

Mr. KELLY.—There is definite provision made for two 7.5 guns and ammunition.

The CHAIRMAN.—That may be the case, but provision for ammunition is specially made in the Estimates-in-Chief.

Mr. KELLY.—Provision for ammunition is also made in these estimates, and I submit, sir, that under the Standing Orders I have a perfect right to object to

every item which is not so urgent as the one I wish the Minister to consider.

The CHAIRMAN.—The honorable member has a perfect right to object to every one of these items, but he has no right to anticipate a discussion which will take place on another part of the Estimates. He can call for a division against every one of these items if he pleases, but he is not justified in asking for information at an improper time.

Mr. JOSEPH COOK.—I think, sir, you are ruling at large. What my honorable friend is trying to do is to show that certain expenditure is much more urgently required than is this proposed expenditure.

Sir JOHN FORREST.—Who is to be the judge?

Mr. JOSEPH COOK.—Evidently the right honorable gentleman is not the judge, for he tells us candidly across the table that he knows nothing about the matter.

Sir JOHN FORREST.—I am not prepared to make a statement, any way.

Mr. JOSEPH COOK.—Whoever is the judge, the right honorable gentleman is not, I regret to say. The custom is to have a person in charge of the Estimates, or in the vicinity of the Chamber, who knows something about defence matters. It is quite customary, when the Estimates are under consideration, for the Minister at the table to furnish explanations, and give information about any item upon which we are asked to vote. When information is asked for by the honorable member for Wentworth he is met with a snap from the Treasurer, to the effect that he will not answer the question, because he does not know anything about the matter, and if he did he would not give an answer. That is not the way for the right honorable gentleman to conduct himself when he is asking the Committee to vote money.

Sir JOHN FORREST.—I did not say that.

Mr. JOSEPH COOK.—The right honorable gentleman said that my honorable friend was improperly asking for information, and that he had no right to get it.

Sir JOHN FORREST.—I said it was unusual to ask for information.

Mr. JOSEPH COOK.—The right honorable gentleman taunted my honorable friend with being the judge of these matters. If there is one honorable member who knows anything about the state of the defences of Sydney, it is the honorable member for Wentworth. He has made a special study

of this subject, and his speeches here show that he is well informed.

Sir JOHN FORREST.—If the honorable member asks questions they will be answered. He has the usual opportunities of asking questions.

Mr. JOSEPH COOK.—My honorable friend has asked the Minister as courteously as he can, but can get no information from him. I submit that he is quite in order in showing that this money ought not to be voted for the purpose proposed, but ought to be applied to a more urgent purpose.

The CHAIRMAN.—I am very sorry, indeed, if I have misunderstood the full scope of these Estimates. The honorable member for Wentworth mentioned that provision is made for guns for Western Australia, and I should like to know on what page it is made.

Mr. KELLY.—On page 255.

Mr. JOSEPH COOK.—And on page 246 provision is made for emplacement for guns.

The CHAIRMAN.—At the end of these Estimates provision is made for special defence material, but that is quite separate from the matters with which we are now dealing. I am only anxious that the business shall be conducted in an orderly fashion, and, of course, that it shall be expedited. I would suggest to the honorable member for Wentworth that if he desires to refer to these matters, he should wait until we are dealing with the vote on the subject, when he would be quite in order in urging that it is more necessary to provide guns at Sydney than at the place proposed.

Mr. KELLY.—The course I adopted was intended to facilitate business as far as possible. I do not wish to object to any item on the Defence Estimates, provided that I can reasonably assure my constituents and the people of Sydney, who are vitally interested, that the Government seriously mean to take the first opportunity of putting the defences of that city in a decent state. The least I can expect from the Treasurer is a civil answer. I am not asking him to commit the Government to anything, but merely for information in order to facilitate business.

Sir JOHN FORREST.—If the honorable member will tell me exactly what he wants, I shall get the information from the Defence Department with pleasure.

Mr. JOSEPH COOK.—The Minister ought to have it here.

Sir JOHN FORREST.—I have not got it here.

Mr. McCAY.—It is in the Department of Home Affairs.

Mr. GROOM (Darling Downs—Minister of Home Affairs).—The honorable member for Wentworth is really asking for a declaration of policy on behalf of the Defence Department, and not for information in respect to any item on the Estimates.

Mr. KELLY.—Not exactly.

Mr. GROOM.—As the Minister in charge of the items under the head of Home Affairs, I shall be pleased to supply the honorable member with information in regard to any item he may mention. I understand him to say that he is quite satisfied with the items, and does not challenge them. They are estimates recommended by the Defence Department as being for necessary works. The honorable member will admit that it is somewhat unreasonable at this stage to expect information which can only be obtained after inquiry has been made. It is unreasonable to expect that a certain policy shall be pronounced without an opportunity to look into the points which he has raised in connexion with the defences of Sydney. All that the honorable member can reasonably ask is that the important matters which he has brought forward shall not be overlooked, and that inquiries shall be made on the lines which he has suggested.

Mr. McCAY (Corinella).—The matter in dispute, as I understand it, is this: The Minister of Home Affairs, not the Treasurer, should be in a position to give any particulars that are wanted as to these votes. The course followed in regard to the Defence estimates was that, after the Commandants of the States made their recommendations, they were gone through item by item in the Defence Department. Then they were sent to the Home Department, which took its turn at them, after which conferences took place between the Home Affairs Department and the Defence Department, resulting in the estimates being settled in their present form. The Commandants asked for all that they thought was desirable; the Defence Department granted some of the requests; the Home Department, which always expects to cut £50,000 or £60,000 off the estimates of the Defence Department, went through them, and left what was thought to be essential in the recommendations originally emanating from the States. In regard to what the

honorable member for Wentworth has stated, I should say that Sydney is really the best defended port in the Commonwealth.

Mr. FISHER.—The best guns are needed to protect the fleet, which is always lying there!

Mr. McCAY.—I merely state a fact, and the honorable member for Wide Bay flies at me for doing so. Sydney is, I say, the best defended port in the Commonwealth.

Mr. KELLY.—Against torpedo attack?

Mr. McCAY.—In respect of defence of all kinds.

Mr. KELLY.—There is no defence against torpedo attack.

Mr. McCAY.—I do not agree with that statement, but I do not wish to enter into the considerations involved in it.

Mr. KELLY.—I can prove my statement from authority.

Mr. McCAY.—The honorable member cannot fairly ask that all other forms of Defence expenditure shall be put aside in order to provide 12-pounder guns for Sydney. With all respect to him, that is an unreasonable request. We all admit that 12-pounder guns are desirable, but to say that it is impossible to defend a port against torpedo attack without them is rather a strong assertion.

Mr. KELLY.—It is laid down in the standard artillery authority.

Mr. McCAY.—I do not wish to discuss the question of torpedo attacks on a vote for rifle ranges and drill halls.

Mr. JOHNSON.—They are closely allied, all the same.

Mr. McCAY.—I think I may congratulate myself that I am not in charge of these estimates! It is essential that we should provide repairs for fortifications, construct rifle ranges where troops exist, and drill halls, or, at any rate, store rooms; because very often the term "drill halls" means nothing more than that. Otherwise the forces that we have in existence could not be carried on. Consequently there must be a certain amount of expenditure for those purposes. No doubt all that the honorable member for Wentworth recommends ought to be done, but it must be remembered that we have only a certain amount of money to spend, and when that is the case it is necessary to leave undone some works which, to some people, may appear to be necessary. The honorable member wishes that money which

is saved on one vote shall be spent in another direction. But it is impossible when money is saved on works to spend it on guns, without its being put in the Supplementary Estimates. That would certainly be a very unusual way to deal with Estimates. I sincerely hope that money will not be saved out of the vote for special defence material, because all that is provided for that purpose is absolutely essential. I remember going through these estimates very carefully. I cut down and cut down in various directions, because I wanted money for special defence material chiefly. I left nothing but what I regarded as necessary for the absolute carrying on of the existing forces, and I think that every penny on the Estimates is required for that purpose. Everything is shown in the long schedules. Sums under £300 are lumped together, except in special cases; but other items are given separately. That is why there are general headings embracing large sums.

Mr. JOHNSON (Lang).—I do not intend to oppose the item under discussion. What I object to is that it seems to me to be ridiculously small for any practical purpose of making the harbour fortifications of Sydney effective. Is it sufficient, for instance, to put the fortifications of Sydney into proper order—that is, if we are to take seriously the statement made by the Prime Minister some time ago?

Mr. McCAY.—What is wrong with the fortifications of Sydney?

Mr. JOHNSON.—That is just what I want to find out. Honorable members opposite are laughing a little bit too early. Perhaps they will not laugh when I have read what the Prime Minister said on this subject. He made a statement in regard to the defence of Australia which has been reprinted in a return laid upon the table of the House. I will quote his words—

Quite certainly we have no vessels belonging to the Commonwealth which could be used even to attempt to protect our coastal trade.

Then he goes on to say—

The forts, for instance, about our principal cities are, in the first place, most of them of antiquated design, and very dangerous to the garrisons who would hold them under the fire of modern missiles. Then the guns in these forts are, many of them, old in type, and some quite obsolete.

Mr. McCAY.—Does the honorable member say that that applies to Sydney?

JOHNSON.—The Prime Minister of it applying to "our principal

McCAY.—As a matter of fact, does honorable member say that it applies money?

JOHNSON.—I take it that Sydney principal city of the Commonwealth. The Prime Minister did not refer to Sydney, or include Sydney, he ought to specifically said so. If our forts in the condition described, it seems to me that the sum on the Estimates, which I suppose is for additions and repairs, is obviously small.

McCAY.—There is no money on the Estimates for reconstructing forts.

FISHER. — This is exposing our weakness to the Japanese.

JOHNSON.—It was not I, but the Minister, who exposed our nakedness. The late Minister of Defence has spoken of his efforts to cut down expenses, and it appears to have been cutting them down at the wrong end.

McCAY. — That is a matter of fact.

JOHNSON.—I regard the Imperial Navy as our first line of defence outside of Australia; but our own first line is our coast, harbor, and river defences. Therefore, if, as the Prime Minister has suggested, our forts are more dangerous to our defenders than to the enemy, it is time we set to work to put them in better shape, even if, for the time being, we have to down the vote for the military land forces, which constitute our last line of defence.

McCAY.—I never heard before that these are not military defences.

JOHNSON.—I have no objection to the sum being voted in order to bring our forts up to date, if they are in the position alleged by the Prime Minister; but the work could not possibly be carried out for the sum set down in the Estimates.

McCAY.—The cost of building emplacements for guns is reckoned by thousands and not by hundreds. The sum voted is not for that purpose.

JOHNSON.—I should like some information on the point from the Treasurer. Is it proposed to leave the forts in their present antiquated condition, to be served by obsolete guns, which, by the way, are very rarely brought into use in practice purposes.

McCAY.—The forts of Sydney have the most modern guns of any in Australia.

Mr. JOHNSON.—The guns may be the most modern in Australia, and yet antiquated.

The CHAIRMAN.—Order! We are now dealing only with the construction of fortifications.

Mr. JOHNSON.—Do I understand you, Mr. Chairman, to rule me out of order in speaking on the subject of fortifications?

The CHAIRMAN. — I thought I had made the matter perfectly clear. We are dealing with fortifications only with regard to their construction, and not to their armament or fittings.

Mr. JOHNSON.—I only mentioned armaments and fittings incidentally. We are told that the forts of our principal cities are most of them of antiquated design, and, if it be the case that they would be more dangerous to the defenders than to the enemy—

Mr. McCAY.—Does the document quoted by the honorable member say that?

Mr. JOHNSON.—That is practically the inference from what the Prime Minister said.

Mr. McCAY.—I think not. Read the document again.

Mr. JOHNSON. — The document states—

The forts, for instance, about our principal cities are, in the first place, most of them of antiquated design, and very dangerous to the garrisons who would hold them under the fire of modern missiles.

Mr. McCAY.—But the honorable member said the statement in the document was that the forts would be more dangerous to the defenders than to the enemy.

Mr. JOHNSON.—That must be the case if the forts are in the condition described. Perhaps the Treasurer will give us some information as to what this money is to be expended on. Is the money required to bring the fortifications into an up-to-date state?

Mr. WEBSTER (Gwydir).—I have listened with very great interest to the recent addition to the authorities on military matters in the person of the honorable member for Wentworth. While I agree to a certain extent with the observations of the honorable member. I do not see that he is now justified in repeating what he has said more than once during the last week or two on the question of defence. I refer particularly to the honorable member's suggestion that money might be saved on the proposed expenditure on rifle clubs and rifle ranges. I trust that the Treasurer

will not fall in with the suggestion of the honorable member, which is certainly not in a direction I can approve. In the country districts the inclination is to rather extend the rifle club system, and it certainly ought to be encouraged, seeing that it does not cost a great deal, and that it will provide a strong arm of land defence.

Mr. KELLY.—I am not objecting to these particular items in the Estimates.

Mr. WEBSTER.—The honorable member for Wentworth has on two or three occasions indicated what he thinks ought to be the policy in the future, and with that I think he ought to be content, so far as the present debate is concerned. I would rather see the expenditure on rifle clubs increased than decreased; besides I know that to carry out the ideas of the honorable member for Wentworth we should have to pass not merely an item on the Estimates, but a special Loan Bill.

Mr. JOSEPH COOK.—Is the honorable member for Gwydir in favour of a loan for that purpose?

Mr. WEBSTER.—I was merely pointing out that to undertake the work desired by the honorable member for Wentworth would probably necessitate the raising of a loan. Personally, I have not been a student of military matters, and do not understand them; and, as I do not represent an electorate where military information can be obtained, or is of special interest, I leave the details to the authorities and experts who have to guide Parliament. I do not pretend to understand a matter which is too intricate for an ordinary layman.

Mr. JOSEPH COOK (Parramatta).—The honorable member for Gwydir told us that he knows nothing about military matters, and that, I presume, is the reason why he has addressed the Committee on these items. The question raised by the honorable member for Wentworth is not one difficult to understand. It is, on the other hand, of the most rudimentary character, and I am certain that if the honorable member for Gwydir applied himself to it for ten minutes, he would readily understand what the honorable member for Wentworth wishes. I venture to say that the suggestion of the honorable member for Wentworth could be carried out without raising a loan on the credit of the Commonwealth, and thus beginning a career of loan expenditure, such as the honorable member for Gwydir, and those associated with him, have been the first to discourage. I hope

we are not yet going to such purposes as those under. Neither is it necessary to borrow repetition on the part of the honorable member for Wentworth, if the facts the honorable member alleges, and I have reason to believe that they are, the petition we have of those facts makes the House the better. They must be met until some remedy is found for which the honorable member has not yet called attention.

Mr. WEBSTER.—The late Minister of Defence denies that the expenditure suggested is necessary.

Mr. JOSEPH COOK.—I do not know the late Minister of Defence denies that the expenditure suggested is necessary.

Mr. McCAY.—I say that what the honorable member suggested is desirable, but there are other things that are desirable, and the Commonwealth will not burst if the money is not spent this year.

Mr. JOSEPH COOK.—The honorable member for Gwydir said that the late Minister of Defence denied that the expenditure suggested is necessary.

Mr. McCAY.—The honorable member for Wentworth says that this money is not spent before any other, and I am emphatically of that opinion.

Mr. JOSEPH COOK.—I do not think it ought to be a matter of before or after.

Mr. McCAY.—When you have a lot of work to do, and only £1 to do it, you must put off something.

Mr. KELLY.—One cannot expect to get more than £1 if he does not ask for it.

Mr. JOSEPH COOK.—I do not think that the vote for rifle clubs should be taken down, and, on the contrary, I think it should be encouraged in every form.

Mr. KELLY.—I do not say that the expenditure should be cut down.

Mr. JOSEPH COOK.—On the other hand, that does not do away with the necessity for providing a remedy for the situation which the honorable member for Wentworth alleges exist at the Sydney forts. The honorable members have asked, what is the trouble? And because the honorable member for Lang could not answer right off, he went round the Committee, as the honorable member had been convinced of confusion. But, really, there is no need to be said for the honorable member's mention. It is a fact that there are no shells in the forts in Sydney which have been fired in practice, because the

dition with which to fire them. I hope honorable members generally are aware of this.

McCAY.—It is not correct to say that we have not been fired, because there is ammunition to fire them.

JOSEPH COOK.—I understand that there is a certain reserve of ammunition, but it is not replenished, and therefore the guns are not in a position to practice with them.

McCAY.—The reserve of ammunition is being built up, and it is only cordite ammunition that they have not got, so far.

JOSEPH COOK.—That is what I am talking about.

McCAY.—They can practice as well with black powder.

KELLY.—They cannot practice with black-firing guns.

JOSEPH COOK.—I understand that black powder cannot be used with firing guns, and there is no supply of ammunition with which they could practice. Consequently, while we have these up-to-date guns they are of no use, because we are unable to get the peace of mind to learn how to use them properly.

PAGE.—Then let us have our own ammunition factory.

JOSEPH COOK.—So far as the clubs are concerned, I hope the Committee will always look on them with a sympathetic eye. For two sessions in this Parliament, I had a motion on the business-table proposing a very largely increased grant for the encouragement of rifle shooting. I believe that the course I suggest is about the only one which can be adopted to remedy our present comparatively backward state with regard to rifle shooting in Australia. Out of the huge sum of money voted each year, we ought to be able to furnish some first-class prizes for shooting—prizes such as would make a matter of pride and effort on the part of the shooters in all parts of Australia to win them.

JOHNSON.—Yet we refused to help the clubs to go home to the Bisley meet-

McCAY.—We can do very much with £2,000 than spend it on sending a rifle team home to Bisley. That is the best thing to do with it.

JOSEPH COOK.—My own impression is that we should vote at least £2,000 a year for prizes for rifle shoot-

Mr. McCAY.—We already give the rifle clubs nearly £6,000.

The CHAIRMAN.—I point out to the honorable member that this discussion can be more appropriately taken on the Defence Estimates.

Mr. JOSEPH COOK.—I apprehend that the whole of these votes for rifle ranges are for the purpose of facilitating rifle shooting.

Mr. GROOM.—For the construction of ranges.

Mr. JOSEPH COOK.—But the object of the expenditure is to facilitate rifle shooting.

The CHAIRMAN.—Order! I point out to the honorable member that the Committee is not now discussing the Estimates of the Defence Department; but really Estimates of the Home Affairs Department. When the Defence Estimates are reached it will be competent for honorable members to discuss rifle clubs, prizes for rifle shooting, and the supply of ammunition and guns.

Mr. JOHNSON.—And fortifications?

The CHAIRMAN.—No; we shall have dealt with the Estimates for new works by that time.

Mr. JOSEPH COOK.—I have no desire to pursue the matter in detail; but I am pointing out broadly another method, in addition to that provided by these Estimates for the encouragement of rifle shooting. In addition to providing this expenditure for rifle ranges, sheds, grants to rifle clubs, and so on, we should, for the specific purpose of encouraging rifle shooting in Australia, furnish money for some big national prizes.

The CHAIRMAN.—Can the honorable member connect such a proposal with the Estimates for new works and buildings?

Mr. JOSEPH COOK.—I have no wish to persist in this matter, as there will be other opportunities to deal with it. I should like to discuss the question very seriously, because I believe that, unless we adopt some such means as I have suggested, our rifle practice will continue in its present backward state, and there will not be afforded the facilities for such practice which ought to be given in a country like this.

Mr. POYNTON (Grey).—I desire briefly to refer to what would appear to be apathy on the part of officers intrusted with the carrying out of the express will of this Parliament. Honorable members will have

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noticed the large amounts which it is proposed shall be revoted this year. The necessity for these revotes indicates either incompetency on the part of the officers who are intrusted with certain duties, or what is worse, an interference with the will of this Parliament by other bodies who have no right to interfere. We passed last year a large number of votes which appear again on the Estimates for this year. There should be some explanation given by Ministers as to why this kind of thing occurs year after year. The bulk of the money proposed to be voted on these Estimates for expenditure in South Australia was passed last year, and some of it was passed the year before. We have States members going round the different States and complaining that the work of erecting a certain post-office, or of completing an addition to a certain building, has not been taken in hand owing to the action of the Federal Parliament. I desire to know what is the real reason for these revotes. Have we not men under the control of the Federal Departments who are competent to carry out the work for which these votes are passed? Does it really take our officers two years to draw up specifications for a simple addition to a post-office? I think the practice followed is for this Parliament to pass Estimates, and the officers of the Departments then draw up specifications when the old method of how not to do it is followed, with the result that we have each year to revote a large sum of money. We are condemned by our constituents when works for which this Parliament has voted the money are not carried out. My own opinion is that the States Treasurers "pull the leg" of somebody and prevent these works being gone on with. If that is so, we ought to know it. We ought to know who is behind the scenes preventing these works being carried out. I do not believe that the officers in the Commonwealth service are not competent to prepare the necessary specifications and get these public works in hand during the twelve months, and so obviate the necessity of revoting these amounts from time to time. I have noticed that a vote for plant for the printing of stamps which appeared on the Estimates last year has been allowed to lapse altogether, and I should like to know why.

The CHAIRMAN.—I point out to the honorable member that we have not yet reached that item, which will be found in the Estimates for the Postmaster-General's Department, South Australia.

Mr. POYNTON.—I merely want to direct attention to the matter, that the Minister in charge of the Department has not stated that when we come to the item, which is common with other representatives of South Australia, desire to know why that vote has been dropped or why it has been allowed to lapse. I believe I am voicing the general opinion of the members of the Committee when I say that some reasons should be given for the continual revoting of amounts which appear on the Estimates. If the State is responsible we should know, and if the fault lies in the inability of our officers to carry out the specifications, then the time available for the expenditure of the money, the sooner we replace men who will be competent to do the work, the better. I do not believe that our officers are incompetent. In my opinion, the delay is due to efforts on the part of the States to credit the Federation, so that they can complain when necessary work is not done. "Well, that is the fault of the Federal Parliament." I trust that some explanation will be given as to why each year we are asked to revote money for works which have been proved in previous years.

Mr. FISHER (Wide Bay).—I want to know like the Minister in charge of the Department to say whether, in every estimate, the estimated cost is given, and whether the amount set down to be voted is the total cost of the work when completed. I want information is given as to the total cost of the work when completed.

Mr. GROOM.—There is, in every estimate, a foot-note giving that information.

Mr. PAGE (Maranoa).—I wish to know from the Minister of Home Affairs whether, among the votes for new works in South Wales, £600 is set down for rifle clubs for rifle ranges. Underneath, there are other votes for rifle ranges at Richmond, Bathurst, and other places. Then, why is £1,000 put towards the cost of a drill-hall at the estimated total cost of £2,000? Is the building going to be reduced in penny numbers?

Mr. GROOM.—£1,000 is all that is required this year.

Mr. McCAY.—The plans have been drawn that the most urgently needed portion of the building can be put up this year, and the rest of it added next year.

Mr. PAGE.—I should also like to know regarding the proposed vote for land near Colah Railway Station, which £500 was appropriated



ly £4 spent. This is an item which be pointed out to the Premier of South Wales, when next he accuses Federal Government of extravagance.

GROOM (Darling Downs—Minister of Home Affairs).—With regard to complaints of the honorable member, the delay that he speaks of has been chiefly due to the fact that these estimates have hitherto not been passed until the end of the session, and they have been taken earlier this year in order to prevent a recurrence of it. The cause is mainly not want of competency on the part of our officers. This year the getting of preliminary designs has been expedited in anticipation of the passing of the Estimates at an early stage of the session.

POYNTON. — But in the cases of which I complained, the money was voted twelve months ago.

GROOM.—Yes, but delay was unavoidable in connexion with the calling of the session, and the starting of the works.

McCAY.—All the plans necessary have now got ready at once.

GROOM.—That is so. This year, however, everything will be done to press matters as much as possible. As the honorable member says, delays are due to the Commonwealth and to the States, because they produce uncertainty as to the relation between the finances of the States and those of the Federation, and our Estimates appear unduly delayed by the piling up of revotes. The honorable member for Lang asked for information in regard to items 1 and 4. In regard to item 1, the total vote is £39, of which £674 is a revote for which approval was given at last session. The remaining £565 is to carry out a number of works in regard to officers' quarters, Adamstown Rifle Range, West Maitland quarters, and others of which I have a list. With regard to item No. 4, it is proposed to revote £360, and the balance of the amount is made up of a series of items to provide for the erection of a shelter and other conveniences at Adamstown rifle range, and for removing and erecting wire fencing, and so on. Main work is also to be carried out at the Victoria Barracks, the Garrison Hospital, the Drill Hall, and in connexion with a number of rifle ranges in various parts of the country. In connexion with item 5, the honorable member for Maranoa

wished to know why it was proposed to make a general grant to rifle clubs for rifle ranges, whilst certain other ranges were specially provided for. The item referred to provides for ranges for rifle clubs under the regulations, on requests made during the year.

Mr. McCAY. — When rifle clubs are formed some of them receive £20, and others £40, according to their membership, to assist them to secure ranges. As we cannot tell beforehand where the clubs are to be formed, they cannot be specified.

Mr. LONSDALE (New England). — I think that the Minister has shown that there was some justification for the criticism which has been passed upon these items, because he has explained certain matters upon which it was necessary that we should have information. We cannot possibly know anything about these matters, and, therefore, unless someone enlightens us, we are obliged to vote in the dark. The thanks of the Committee are due to the honorable member for Corinella for the very clear way in which he has placed matters before us. The amount provided for fortifications appears to me to be extremely small. I am not a military man, and I do not understand these questions, but I should think that no fortifications worth speaking of could be provided for by means of the small sum set down here. For "fortifications, barracks, rifle ranges, and drill halls," the total sum appropriated is only £4,479, including revotes. If it is intended to erect new fortifications, the provision seems to me to be very small.

Mr. McCAY.—It is not intended to build a new fortress out of that sum. If you wanted to build a wall 10 feet long as a portion of a fortress, the work would come under item 4.

Mr. LONSDALE.—It has been stated that the principal cities of the Commonwealth are not adequately defended, and I think we should do well to concentrate our efforts upon making proper provision for the safety of our principal harbors and rivers. The defence of the most important points along our coastline is next in importance to the provision for naval defence. Our object should be to deal with our enemies before they can effect a landing on our shores. It is of no use to fritter away money in small amounts, and we might with advantage save up our funds for a year or two, and then devote the whole sum available to some

substantial and useful work. I was asking the honorable and learned member for Corinella which part of our coast required the strongest defences, and he appeared to indicate Sydney as the port to which our attention should be principally directed; but my idea is that we might with advantage strengthen our defences at our outposts, with a view to preventing any descent being made upon the Commonwealth. Some criticisms have been offered with regard to the revotes, and the necessity for passing these Estimates as speedily as possible. It seems to me that all preparations should have been made long ago for proceeding with works for which revotes are provided. I trust that the Minister of Defence will formulate a scheme for the systematic expenditure of money on the protection of our various harbors, instead of paying too much attention to matters of detail.

Mr. McDONALD (Kennedy).—I regard the explanation given by the Minister with regard to certain revotes as unsatisfactory. It is idle for the Minister to tell the Committee that the Department cannot get the necessary plans and specifications prepared and the works commenced in less than nine months. If his statement be correct, that condition of affairs is anything but satisfactory. We know perfectly well that the Treasurers of the various States have been endeavouring to make their expenditure and their revenue balance. To accomplish this, they have been doing their best to persuade the Commonwealth not to expend certain sums of money. Only last evening it was pointed out that the Parliament of Queensland had actually gone so far as to revoke out of loan funds the money expended by the Commonwealth on certain works in that State, and to pay it into revenue.

Mr. PAGE.—That is illegal.

Mr. McDONALD.—Nevertheless it has been done at the instance of the heaven-born Treasurer who is in office there at the present time.

Mr. PAGE.—It is a wonder to me that the Auditor-General would allow it to be done.

Mr. McDONALD.—The point is that it has been done. The States Treasurers are making every possible effort to prevent money which is voted by this Parliament from being expended. I think that the Minister requires to give us some better explanation of the reason these amounts were

not spent than that they were only voted towards the close of last session. I trust that he will cause an inquiry to be made with a view to ascertaining what are the exact facts. If the Works Departments in the different States cannot proceed with these undertakings within the year for which the amounts are voted, it is time that we endeavoured to obtain the services of some person who is competent to do so. Last year, out of £170,000 which was voted for various public works, only £68,000 was spent.

Mr. KELLY (Wentworth).—Following up the remarks of the honorable member for Grey, I would point out that under subdivision 3 revotes appear in connexion with the re-erection of a drill-shed and defence buildings at Townsville, of a rifle range at Brisbane, and of cable and cable storage tanks for electrical communication between Goode Island and the mainland. In connexion with all these items, the votes for which I presume are urgent, we find that money has been lying at the disposal of the Department for a whole year, and has not been expended.

Mr. GROOM.—Some of the contracts are in hand, and the work is being carried out.

Mr. KELLY.—Why does not that fact appear on the Estimates? I protest against the dilatory methods which have been adopted by Departments.

Mr. PAGE.—The honorable member is censuring the late Government, which he supported.

Mr. KELLY.—I recognise that no Government can keep such a tight control over expenditure as to be seized of every penny which is spent or not spent. Nevertheless, I do hope that an earnest effort will be made to expend the amounts voted by us during the financial year for which they are voted.

Mr. PAGE (Maranoa).—I wish to know whether the £1,000 which it is proposed to expend on a rifle range at Brisbane is intended to be spent in the acquisition of a new range, or merely in putting the old one in order. At the present time, there is really no rifle range at Brisbane, nor has there been one for a number of years. Both the members of the rifle clubs and the military are using a portion of the cemetery reserve on sufferance. I should like to know to what this expenditure of £1,000 is to be devoted?

Mr. GROOM.—It is to be spent in the acquisition of a new rifle range.

Mr. McCAY.—At Sandgate.

Mr. PAGE.—If it is voted for the purpose of obtaining a specific site—

Mr. GROOM.—No site is mentioned in the Estimates.

Mr. PAGE.—I should like to know what is behind this proposal.

Mr. JOSEPH COOK.—Any item of expenditure can be transferred to any other Department if the Executive so desire.

Mr. McCAY.—That cannot be done under our Audit Act.

Mr. PAGE.—It is very singular if it can be done.

Sir JOHN FORREST.—No vote can be transferred except to another item in the same subdivision.

Mr. JOSEPH COOK.—It is constantly done in the States.

Mr. GROOM.—If this money is voted for the acquisition of a rifle range it must be applied to that purpose.

Mr. PAGE.—I wish the Government would get this matter decided as soon as possible. The matter has been hanging fire ever since the opening of the first Parliament. On each year's Estimates there has been a proposed vote for a rifle range for Brisbane, and yet nothing has been done. The range at present being used by the riflemen of that city may be closed to them at any moment, and I therefore trust that the Government will lose no time in securing a suitable site.

Mr. McCAY (Corinella).—The honorable member for Wentworth was rather unfortunate in referring to this subdivision as an example of dilatoriness on the part of the Department of Home Affairs, or of any other Department, because, with the exception of the amount for rifle ranges, every one of these revotes are in respect of contracts let before the 30th June.

Mr. GROOM.—The works are in progress.

Mr. McCAY.—That is so. I know a little about the question of a rifle range for Brisbane. Shortly after I took office, towards the end of last year, a site was fixed upon, but considerable opposition was raised to it in certain quarters, and I felt bound, in view of the representations made, to have a further investigation. I was also about to visit Queensland, and as the opposition continued, I thought it right to make personal inquiries on the spot. I caused special examinations to be made by officers who were sent to Brisbane for that purpose, and

I finally came to the conclusion that Sandgate was the only suitable place.

Mr. WILKINSON.—Did the honorable member inspect the Woolston site.

Mr. McCAY.—I cannot remember the names of all the sites. The direction of the proposed range at Sandgate was varied. It was proposed first of all that it should run from east to west. It was then suggested that it should run from north to south, and finally it was proposed that it should run from north-west to south-west. At last I wrote that the objections to the site might well be withdrawn, but unfortunately my connexion with the Department terminated rather suddenly. I understand that since then the Minister has definitely decided upon Sandgate as a site for the rifle range, and has taken steps to acquire the land.

Mr. GROOM.—I shall explain that point.

Mr. McCAY.—At all events, the matter ought to have been settled by this time, and steps taken to acquire the necessary land, because the objections made are no longer reasonable, in view of the way in which they have been met by the Department.

Mr. GROOM (Darling Downs—Minister of Home Affairs).—In regard to the question of the rifle range for Brisbane, I may say that it has come before the Minister of Defence, and that as objections have been made to the selection of the Sandgate site, he has promised to look into the whole matter. It would not be right for me to let it go forth that he has arrived at an absolute decision one way or the other.

Mr. PAGE.—This is an extraordinary state of affairs.

Mr. GROOM.—The Minister has to take the responsibility of his position, and is entitled to look into the whole question.

Mr. McCAY.—The papers are now complete.

Mr. GROOM.—That is so, but the honorable and learned member for Corinella has already said that the matter caused him considerable anxiety when he was in office.

Mr. McCAY.—The papers were not complete when I took office, but they are now, and the Minister can obtain a grasp of the whole position in half a day.

Mr. GROOM.—The Minister of Defence is seeking to obtain a thorough grasp of the whole position, but he has not the advantage of the personal knowledge of the several sites which his predecessor enjoyed. The proposed vote is intended, and I presume that it will undoubtedly be applied, to secure a site for a rifle range at

Brisbane. It is a matter of pressing urgency, for the absence of a proper range is having a discouraging effect not only on members of rifle clubs, but on the military forces generally of Brisbane.

Mr. WILKINSON (Moreton).—I wish to refer briefly to this question, because it has formed the subject of a good deal of correspondence between myself and the Department. I know that a range for the metropolis is a crying need, but notwithstanding that it has been a considerable time on the tapis, it seems that some time must yet elapse before it will be ready for use. So far as I understand it, the object of the proposed vote of £1,000 is to provide only for the purchase of land. A footnote sets forth that the total estimated cost, exclusive of land, is £5,000. I presume, therefore, that before the range is ready for use it will be necessary to have a further sum placed on next year's Estimates and passed by us. As the honorable member for Maranoa has pointed out, the range at present in use may be closed at any moment. If that happened, the result would be the disorganization of rifle clubs and associations, on the maintenance of which considerable sums of public and private moneys have been expended. I know something of the location of the suggested range, and am pleased to hear that, in the opinion of the Minister of Defence, there is now little reason for the objections that have been raised, having regard to the rearrangement of the line of fire. Only last week, however, very strenuous opposition was offered to the establishment of the range at the site almost decided on, and another site which was in contemplation some time ago has been suggested.

Mr. McCAY.—If it is the Darra site, it will cost a good deal more, for the country there is fairly flat, and the site is far less acceptable than is that of Sandgate.

Mr. WILKINSON.—From either side, there are local trains run to within two or three miles of the site, besides through trains—that is, to Oxley on the one hand, and to Goodna on the other, and the Commissioner of Railways has expressed his willingness to extend the running of the trains. I do not wish it to be understood that I advocate one site more than another. As I understand that the Minister is considering the objections which are raised, I shall not pursue the subject at this stage. I wish to

refer to the general facilities which are given to riflemen for practice. I do not agree altogether with the honorable member for Parramatta, when he says that large sums should be given for prize money. I believe in stimulating rifle shooting by offering liberal inducements, and if there is any money to spare it ought to be used in improving rifle shooting, rather than in prizes. If ranges are not provided, the men cannot shoot for prizes. They could also be encouraged by being provided with more liberal travelling facilities.

Mr. PAGE (Maranoa).—I wish to clear the air a little. The difficulty over the selection of a site for a rifle range near Brisbane was very nearly brought to a successful issue by the honorable and learned member for Corinella, when fortunately, the late Prime Minister committed political suicide.

Mr. BAMFORD (Herbert).—For the past three years, I have been persistently applying to the Defence Department to do justice to the residents of Bowen. Owing to the position of the rifle range, the line of fire is across a road which is used by a few persons who have no other means of access to their homes unless they pass at the rear of the range. There have been one or two examinations of the range made—one by the late Commandant of the State—and I am credibly informed that they were of a most trivial and absurd character. The gentleman who is particularly interested in this matter has gone to considerable trouble and expense to point out to the Department a site for a range which would be equally as suitable, equally as convenient to the riflemen, and perfectly safe to the residents. The commencement of the line of fire would be at practically the same base, but the men would fire in a different direction. A few mounds would have to be made for the men to shoot from. I have asked the Department continually to take up the matter, because it is a great shame that the lives of a man and his family, as well as his stock, should be endangered. It would involve a very small expenditure to the Department, and when done it might save a considerable outlay in the future. It is not so very long since the Department was called upon to pay a considerable sum as compensation to a man whose property was damaged by the firing from the rifle range at Randwick. The residents of Avr have spent a considerable sum out of their own pockets in establishing a rifle range.

They have asked that it should be extended a little, so that there shall be no danger from the line of fire to either stock or persons.

Mr. McCAY.—The difficulty in the way is that the Queensland Government want £8 an acre for land which is worth hardly as many shillings.

Mr. BAMFORD.—I am informed that the State Government has offered to lease the land for practically as long as it may be required at a merely nominal rental, and that the Defence Department has seized upon that fact as an excuse for not acceding to the request of the residents. I am sure that the rent would be willingly paid by the riflemen themselves. It is very disheartening to these men, after they have spent their money and time in endeavouring to become marksmen, to find obstacles thrown in their way by the Department, which cannot see any reason for the expenditure of public money, except in and around Sydney and Melbourne. Outside localities receive no encouragement in this regard. I hope, however, that the request of the residents will receive early consideration.

Mr. DEAKIN.—I shall make a note of the case.

Mr. LONSDALE (New England).—It is an extraordinary thing that if the Department intends to spend £5,000 in providing a rifle range at Brisbane for the metropolitan troops, only £1,000 is placed on these Estimates, unless the further expenditure is to be put off for a year. The complaint is that ever since the Federation was established, this matter has engaged the consideration of the Department. It appears to me to be simply playing with the question, to ask the Committee to vote only £1,000 this year. I consider that if the rifle range is to cost £5,000, a larger sum should be voted. The request made by the honorable member for Herbert is a very small one, and I think it should be granted.

Mr. KELLY (Wentworth).—There are two items under the heading of Western Australia that require explanation. There is a re-vote of £800 for the drill-hall at Boulder, and a fresh vote of £75 for a site for the drill-hall. Was the money for the hall voted before the site was acquired?

Mr. GROOM (Darling Downs—Minister of Home Affairs).—A building was being rented at £58 per annum, and the Defence Department strongly recommended that a new one should be erected.

Mr. KELLY.—Is this the whole cost of the site?

Mr. GROOM.—The £75 is for the land, and the remainder of the money is for the drill-hall.

Mr. POYNTON (Grey).—I should like to have some information with regard to the Western Australian expenditure. Under the new arrangement, whereby payments are charged on a *per capita* basis, the fullest explanations ought to be made. For instance, I should like to know the estimated cost of the land for the fort at North Fremantle. If the land was acquired from the State it is a fair thing that, as Defence works are being carried out, it should be granted to the Commonwealth.

Mr. GROOM.—It is not State land; it is private property.

Mr. POYNTON. — I understand that Government property was acquired in one instance, and that the State charged four times as much as it was worth.

Mr. McCAY.—That was in Queensland; the Arthur Head fort is at North Fremantle.

Mr. POYNTON.—I know it is useless to protest against the *per capita* basis, but items of expenditure that are to be so charged need to be watched very carefully. Otherwise, there will be great extravagance. The moment a State gets to know that the cost of the construction of works is borne by the Commonwealth it will go in for having the best of buildings and spending more money than is necessary.

Mr. KELLY.—The *per capita* basis applies only to defence matters, I think.

Mr. POYNTON.—No; it applies to all things. I know of some magnificent buildings that are being erected for the Post and Telegraph Department. The Treasurer ought to explain this item.

Sir JOHN FORREST (Swan—Treasurer).—One site at North Fremantle has to be purchased; but the most expensive one, at Arthur Head, belonged to the State Government. There were a good many buildings upon it. They have been removed. The estimated value of the land was excessive, in my opinion—£18,000. I had some correspondence on the subject with the then Premier of Western Australia—Mr. James—and eventually he agreed to treat it as transferred property.

Mr. POYNTON.—We shall have to pay for it later on.

Sir JOHN FORREST.—If we adhere to the balancing arrangement we shall have very little to pay. No payment in money will be made now. When the question of the transferred properties is settled, this site will be included.

Mr. POYNTON.—What is the area?

Sir JOHN FORREST.—I think it is about an acre.

Mr. LONSDALE.—What is the price agreed upon?

Sir JOHN FORREST.—No price has been agreed upon. It will have to be determined by valuation.

Mr. CARPENTER (Fremantle).—Last year when we were discussing the construction of new works, I brought before the then Minister of Home Affairs the matter of contract as against day labour. I urged him to adopt the day labour system in connexion with the Fremantle forts. In some States, if not in all, there have been cases where works of this kind, which ought to be faithfully built, have been scamped by contractors for the sake of making large profits. No matter how careful the inspection may be, an unscrupulous contractor will contrive to get in cheap work and prevent proper value from being obtained for the money. The Minister expressed his readiness to adopt the day labour system if the work could be as well done as under contract, and at my request he opened up negotiations with the Western Australian Department of Public Works, with the result that the latter consented to carry out the work with their own officers and men. At that point, however, the Minister of Home Affairs sought to impose impossible conditions, asking the Western Australian Government to give a written guarantee that they would make good any extra cost over the estimate. This, in my opinion, was a most unreasonable request.

Mr. McCAY.—I think it was very desirable.

Mr. CARPENTER.—I agree that every precaution should be taken, but the personal guarantee of the State Minister that every care would be observed should have been enough.

Mr. McCAY.—Did not the Western Australian Department decline to bind themselves in any way to their own estimates?

Mr. CARPENTER.—I am not aware that the Western Australian Department made any estimate. I understand that simply took the plans and estimates

of the Commonwealth Department. At first the Minister of Home Affairs desired the Western Australian Public Works Department to tender along with private contractors; but that, of course, the Western Australian Minister properly declined to do. When, at last, the Minister of Home Affairs decided to call for tenders, he sent to the Western Australian Department plans and estimates which were so carelessly drawn that the Western Australian Minister declined to take any responsibility until certain alterations were made. As one who knows something of work of this kind, I judge from what I saw of the estimates that the contractor could have cheated the Commonwealth out of a large sum of money. Surely the Department of Home Affairs ought to have officers capable of drawing up proper workable plans and estimates. There should be no invitations to contractors to enrich themselves at the expense of the taxpayer. I ask the present Minister of Home Affairs to consider this question of day labour once again. It is always understood that fortifications should be constructed with as much privacy as possible, and surely that is a very reasonable view. Calling for public tenders and constructing the forts publicly ought not to be tolerated for one moment, and the best means of insuring privacy is to have the works done by the States own officers.

Mr. McDONALD (Kennedy).—I desire to support what has been said by the honorable member for Fremantle. There is another matter into which careful inquiry should be made. I understand that in order to secure a sufficient elevation from which to fire the guns, it was found necessary to either go behind the town and fire over the buildings, or to fix the site almost in the heart of the town. Military authorities say that if the fortifications are completed at the present site, the big guns, when fired, will do great injury to the buildings of Fremantle—that, at least, they will certainly smash every window in the place. This matter ought to be thoroughly inquired into before another penny is spent. It was stated to-night by the honorable member for Parramatta that there are magnificent guns in Sydney which cannot be used for want of suitable ammunition, and it would appear now that we are going to spend £87,000 on a fortification, the guns of which will, every time they are fired, cause damage to the

extent of some hundreds of pounds. Has there to be no gun practice until the enemy comes, when, of course, the risk would have to be taken? I think some better arrangement could have been made, and I feel inclined to divide the Committee on the question whether any further money should be spent under the circumstances. I hope the Minister will promise that there shall be a thorough investigation.

Mr. STORRER (Bass).—There is an item on which I should like to get some information. I see that last year there was a vote of £2,200 for non-recurring expenditure, and only £511 of that amount was spent. I should like to know why there is no money put down for this purpose this year, when so little of last year's vote was spent? We had last year a vote of £960 for expenditure at Hobart, and only £50 of that amount was spent. There has been no great outcry about Hobart having no guns at all, whilst a good deal has been said about the defective defences of Sydney. I may say that I consider that Hobart possesses the best harbor in Australia, and that city certainly requires to be defended as much as any other in the Commonwealth. I have been informed that the old battery there was removed before the new appliances were received in Tasmania. I should like to have some information as to why it was necessary to pass a large sum of money on last year's Estimates, and so little on this year's Estimates, although so little of last year's vote was expended in Tasmania.

Proposed vote agreed to.

Progress reported.

## ADJOURNMENT.

### DEFENCE EXPENDITURE: TASMANIA.

Motion (by Mr. DEAKIN) proposed—

That the House do now adjourn.

Mr. GROOM (Darling Downs—Minister of Home Affairs).—I should like, in deference to the honorable member for Bass, who put a question regarding a certain item in the Estimates, to say that the explanation he required will be given at the earliest possible stage to-morrow. There was no intention to overlook what he stated in the neglect to reply to his remarks to-night.

Question resolved in the affirmative.

House adjourned at 11.25 p.m.

## House of Representatives.

Friday, 8 September, 1905.

Mr. SPEAKER took the chair at 10.30 a.m., and read prayers.

### PRINTING COMMITTEE.

Report (No. 2), presented by Mr. POYNTON, read by the Clerk, and agreed to.

### IMMIGRATION RESTRICTION ACT.

Mr. MAUGER.—I wish to ask the Prime Minister, without notice, whether, in view of the misrepresentation and ignorance displayed by Australian detractors and others, the Government will take special steps to make the nature and objects of the Immigration Restriction Act known to the British Government and its people? Will he make it known in the same quarter, in some way—by special despatch or otherwise—that it was owing to representations made by the Imperial Government that the Commonwealth Parliament was induced to agree to the insertion of the language test in the Immigration Restriction Act?

Mr. DEAKIN.—The best refutation of these calumnies will be afforded by the announcement of a definite policy for the encouragement of immigration which I hope the House will be able to consider before the session closes. In the meantime, steps will be taken to correct current misrepresentations. The language test was adopted in spite of the strong feeling against it of many, if not most, honorable members, and in order to meet representations made by the Secretary of State to the Colonies in 1897.

### FEDERAL CAPITAL SITE.

Mr. JOSEPH COOK.—It is stated in this morning's newspapers that an agreement has been practically reached between the Prime Minister and the Premier of New South Wales concerning the method to be adopted for the settlement of the Capital Site dispute. Is the honorable and learned gentleman prepared to make a statement to the House on the subject?

Mr. DEAKIN.—The Premier of New South Wales, having asked this Government to perform some overt act, as by driving a peg, to assert the claims of the Commonwealth to take and deal with the territory we require under the Seat of Government Act, we have replied expressing our concurrence, and informing him that the Attorney-General is now considering the best

method in which some formal action may be taken to allow of the submission of the matter to the High Court.

### AUSTRALIAN DEFENCE.

Mr. JOHNSON.—Has the attention of the Prime Minister been called to a speech made by Colonel Price at the annual dinner of the Victorian Mounted Rifles? That officer is reported in last night's *Herald* to have said that the defences of Australia are in a deplorable state, and that, owing to our immense sea-board, if we were attacked, we should certainly not be found in a fit condition to repel the attack—

I say, as an experienced man, that we could not fight for eighteen days. I am not a pessimist, but I say that it is very necessary that Australia should look out for herself.

That statement is published under sensational headlines, and it is, I think, desirable to take notice of it. Does the Prime Minister think it worth while to do so?

Mr. DEAKIN.—I have read Colonel Price's statement, for which he is personally responsible, but make it a rule not to trust scare headings.

### COMMONWEALTH STATISTICAL BUREAU.

Mr. GROOM.—I desire to inform the House that a copy of the correspondence between the Commonwealth and the Governments of the States with respect to the establishment of a Commonwealth Statistical Bureau will be laid on the table of the Library this morning.

### SUPPLY.

### ADDITIONS, NEW WORKS, AND BUILDINGS.

#### DEPARTMENT OF HOME AFFAIRS.

*In Committee* (Consideration resumed from 7th September, *vide* page 2043):

Division 3 (*Post and Telegraph*), £79,581.

Mr. GROOM (Darling Downs—Minister of Home Affairs).—Before the Committee proceeds further with the consideration of these Estimates, I wish to give honorable members information which was withheld last night, not discourteously, but because they were then eager to catch their last trains. The honorable member for Bass asked the meaning of the item, "Non-recurring, £2,220," in connexion with the votes for Tasmania. That item is not a portion of the Estimates for

1905-6, but the difference the aggregate of the items in last year's Estimates, where expenditure was incurred, and vote; that is, it accounts for items which appeared in last year's Estimates but not appear in this year's. The amount made up, first, of £1,120 for the rifle range at Hobart, the late Mr. Defence, when the Estimates for the financial year were under consideration, decided that a revote should not be made, secondly, of £600 for a magazine at Ceston, it being considered that the accommodation would be afforded by the re-allotment of existing buildings, and thirdly, of £500 for a drill hall at Adelaide and Ulverstone, these buildings completed during the last financial year, and forwarded to the Minister of Defence for representations made by the honorable member for Herbert, and will cause to be made into and give consideration to the statement of the honorable member for the mantle in respect to contract labour.

Mr. BROWN (Canobolas).—I have given direct attention to the proposed expenditure of £800 on the General Post Office building. When the former vote was made, some question was raised as to whether the work should be carried out by contract or by day labour. The work was carried out under the day labour system, and I am glad to hear that by a well-equipped staff we can understand that, as the result of the estimations made last year, it was decided that it should be continued upon the day labour system. I should like the Minister to bring this matter into this matter, with a view to the fact that this shall be done.

Mr. GROOM (Darling Downs—Minister of Home Affairs).—It is true that a part of the work has been carried out by day labour, but it was found necessary to perform some of it by contract. I am glad to look into the matter.

Mr. POYNTON (Grey).—In connexion with the item referred to, I should like to know how it is that whereas the cost was £2,300 the much larger sum of £3,092 was expended.

Mr. GROOM (Darling Downs—Minister of Home Affairs).—No mistake was made in the Estimates. The amount covered the cost involved in the construction of the roof; the extra sum required to provide the flooring and other fittings.



Mr. PAGE (Maranoa).—The explanation given by the Minister indicates the ridiculous position which is occupied by the Commonwealth in regard to public works. A building is erected, and after the roof has been put on, it is found to be necessary to put down a floor for which no previous provision had been made. And this happened in the great city of Sydney, where there is an architect at the corner of every street. The sooner we employ a staff of our own, which will arrange to put in the floor before the roof is constructed, the better. Was it supposed, for one moment, by those who drew the original plans, that the occupants of the building could walk on the laths and plaster forming the ceiling of the rooms immediately underneath. I can scarcely realise that the Minister was speaking seriously.

Mr. GROOM (Darling Down—Minister of Home Affairs).—My statement was substantially correct, and the incident is not capable of the Gilbertian construction suggested by the honorable member for Maranoa. As a matter of fact, this work was started by the State Government, and it was thought that some of the money required would come out of loans. Provision was made in the design for the construction of a roof, and for certain alterations, it was necessary to put in a floor and certain partitions, in order to complete the work. It, therefore, became necessary to ask the House to vote the additional amount.

Mr. TUDOR (Yarra).—I have, for some time past, been endeavouring to obtain information from the Postmaster-General with regard to postal officials, particularly letter-carriers, who are being brought into Melbourne, in order to have their work allotted to them at the central office, instead of at the various suburban offices. I am given to understand that this centralizing policy is responsible for the proposed expenditure of £10,000 this year upon the extension of the General Post Office in Melbourne. The total estimated cost of the work is £30,000. I understand that this centralizing system is adopted only in Melbourne, and that in all the other large cities the letter-carriers work from the suburban offices. I think that the Minister should look very carefully into this matter. I admit that under our present system, by which the expenditure upon new works is debited upon a *per capita* basis to all the States, any honorable member who protests

against expenditure in his own State may be looked upon as doing it an injury, but I think that we should consider the Estimates very carefully, and check, as far as we can, useless expenditure. Honorable members should not consent to expenditure merely because it may be to the advantage of their own State.

Mr. PAGE.—That is the true Federal spirit.

Mr. TUDOR.—I think that is the spirit which should animate all of us. The Queensland Government some time ago requested the Commonwealth Government not to carry out certain works in that State, because they did not wish their State to be burdened with the cost of them, as the present system of paying for works and buildings did not operate then, and I think that we should all endeavour to keep down expenditure as far as possible, not with a view to undue economy, but in order to prevent extravagance. There are some other items which I regard as too large. I note that provision is made upon the Estimates for the expenditure of £2,500 upon a post-office at Warracknabeal — although the population of the township does not exceed 2,000 or 3,000.

Mr. HUME COOK.—It is the centre of a very large distributing district.

Mr. TUDOR.—That is the excuse which is urged for the expenditure of every large sum of money in connexion with the erection of post-offices in country towns. The item should be carefully looked into. At any rate, I do not feel prepared to accept the responsibility of voting these sums in the absence of fuller information.

Mr. MAUGER (Melbourne Ports).—I am sure that if the honorable member for Yarra will visit the Melbourne General Post Office he will be convinced that, in the interests of the men who are employed there, additional accommodation is urgently needed. I agree with him that the centralization which is going on, and which necessitates men being brought in from Brunswick and the outlying suburbs in connexion with the delivery of letters, is exceedingly unfair to them. It frequently compels them to work not eight but eleven and twelve hours per day. I do hope that the Postmaster-General will investigate this matter. I can assure him that there is no occasion for the present practice. For years letters were delivered in Victoria without resort to it. Under existing conditions the men may work nominally.

only eight hours a day, but in reality they are compelled to be on duty for a considerably longer period. The accommodation for letter-sorters and others in the Melbourne General Post Office is very inadequate. Indeed, I do not know why the health authorities have not interfered.

Mr. SYDNEY SMITH.—It is inadequate not only in regard to the letter-carriers' quarters, but in regard to those of other officers.

Mr. MAUGER. — The requirements which are insisted upon in the case of private employers have not been enforced by the health authorities in the Postal Department. I am aware that the Postmaster-General has visited the offices, and I am quite sure that if the honorable member for Yarra does likewise he will agree that further accommodation is urgently required.

Mr. HUME COOK (Bourke).—I should like to obtain more information in regard to this vote of £10,000. I do not know whether we are to have a repetition of the condition of affairs described by the honorable member for Maranoa, who spoke of a building without a floor, or a structure possessing a floor, but no roof. Certainly, there has been too great a tendency to erect buildings of a temporary character, which require to be pulled down and rebuilt within a few years. Some time ago, in a spirit of great economy, the Electric Telegraph Office in Elizabeth-street, Melbourne, was erected. That building will have to be demolished some day, and a new one substituted. It is not at all in keeping with the Post Office buildings, and is entirely inadequate to the business which is transacted there. I desire to know whether this proposed vote of £10,000 is to be expended upon additions of an absolutely permanent character—whether it is to be part of a well-defined scheme to extend the General Post Office in accordance with the original plans and specifications. It seems to me that if this money is to be spent upon temporary buildings, it will not be true economy, but the very worst kind of waste.

Mr. SYDNEY SMITH (Macquarie).—I am quite prepared to accept responsibility for this proposed vote. When I was Postmaster-General I made careful inquiries into the accommodation at the General Post Office, Melbourne. I visited the place, and I have no hesitation in saying that it is not creditable to the Department to allow men to work there under existing conditions.

Mr. PAGE.—Did the present state of affairs obtain prior to Federation?

Mr. SYDNEY SMITH.—It has been in force for a long time. If the honorable member will visit the Registered Letter office in Bourke-street upon any busy day he will find the place thronged with people, and that from want of space the officials are very much hampered in the discharge of their duties.

Mr. PAGE.—We can see that at times in any of the other States.

Mr. SYDNEY SMITH.—I am sure that the honorable member would be satisfied of the need for some additional accommodation if he saw what happens in Melbourne. When the late Government were in office, a proposal was made to me that temporary partitions should be erected round the verandah of the General Post Office. I did not think that it was desirable to spoil a fine building by the erection of wooden partitions. I concluded that the requirements of the Department were such that it would be unwise to expend a large sum of money in providing temporary additions which would require to be demolished within a few years. Consequently, after consultation with the Federal architect, it was decided that permanent buildings should be erected. It is not intended that too much money shall be spent upon those buildings immediately; the idea is that they shall be extended as the requirements of the public demand. The additions will be in keeping with the main building. There is a splendid block of land available for the purpose—a block which at present is not being utilized. I think that the Government are acting wisely in supporting the view taken by the late Ministry. At first I was disposed to think that temporary buildings might suffice, but after a personal inspection upon two occasions, and after consultation with the Federal architect, I decided that it would be better to erect a permanent structure. It would not be wise to enclose the verandah of the General Post Office with a wooden partition.

Mr. HUME COOK.—It would spoil the appearance of the whole building.

Mr. SYDNEY SMITH.—That is what has been done to a certain extent in Elizabeth-street.

Mr. PAGE.—What did the Sorting Committee recommend?

Mr. SYDNEY SMITH.—They recommended that temporary buildings should be

erected. However, I entertained a different view, and after consultation with the Federal architect, I was satisfied that it would be false economy to erect a temporary structure, seeing that it would probably require to give way within a comparatively brief period to a permanent building. The decision of the incoming Government proves that I acted rightly in recommending this expenditure. I believe that my successor caused inquiries to be made, and was satisfied that the correct course was adopted by the late Government in deciding that this expenditure should be incurred.

Mr. PAGE (Maranoa).—I must congratulate the Government on having the able advocacy of the Opposition in support of these Estimates. The honorable member for Yarra has given notice of a question relating to the centralizing of suburban letter-carriers at the Melbourne General Post Office, and I understand that there are a number of suburban offices where the sorting might well be carried out. I shall not support any proposed vote which, in my opinion, is unnecessary. Some of the States are passing through a time of stress, and this expenditure on new works will impose on them a further burden. The honorable member for Melbourne Ports has told a harrowing story of the overcrowding of officers at the General Post Office. Has this occurred only since Federation?

Mr. SYDNEY SMITH.—The business of the office is increasing.

Mr. PAGE.—Has it increased to such an extent that additions involving an outlay of £32,000 are necessary.

Mr. SYDNEY SMITH.—As the result of these additions, a considerable saving will be effected in the number of hands employed.

Mr. PAGE.—I am pleased to hear that the increased business is one of the results of the union. This is another of the injustices which Victoria has suffered as the result of Federation. It is strange that the honorable member for Melbourne Ports, who is one of the High Panjandruns of the Anti-Sweating League, has not called attention before to the overcrowding of which he now complains.

Mr. MAUGER.—I did so years ago.

Mr. PAGE.—And it has been left to a Minister representing another State to recommend this expenditure.

Mr. SYDNEY SMITH.—I believe that the honorable member for Coolgardie, when Postmaster-General, appointed the Sorting

Committee which recommended that increased accommodation should be provided. The only difference is that the committee recommended a temporary building, while I considered it would be wiser to have a permanent one.

Mr. PAGE.—The committee was appointed to inquire and report, and yet the Minister has over-ridden its recommendations.

Mr. SYDNEY SMITH.—Surely a Minister is not always bound to adopt the recommendations of his officers?

Mr. PAGE.—Certainly not. If I were a Minister, I should break away from some of the red-tape regulations.

Mr. SYDNEY SMITH.—That is what I did in this case.

Mr. PAGE.—If the requirements for the next ten years will be served by the erection of a building costing £5,000, it would be unwise to incur this expenditure of £32,000. I only urge the Minister to see that the reasonable economies which he would practice in making alterations to his own residence are observed in relation to works undertaken for the Commonwealth.

Mr. HENRY WILLIS (Robertson).—I think that there is considerable force in what has been said by the honorable member for Maranoa. Although we are asked this year to vote a sum of only £10,000 towards this work, we know that a total expenditure of £32,000 is involved, and that we shall have to vote that amount by yearly instalments. I should like to know whether the late Postmaster-General had the plans and specifications submitted to him, and was satisfied that there was no alternative but to agree to this expenditure.

Mr. SYDNEY SMITH.—I consider that the accommodation is necessary, and that a permanent building would be better than a temporary one; but it is for the Government architect to say what expenditure is necessary to provide the requisite accommodation.

Mr. HENRY WILLIS.—One cannot fail to observe that considerable expenditure is being incurred in connexion with the principal postal buildings of the union, and it is well that we should consider whether we are not a little inclined to extravagance in readily adopting the plans of architects, who often have no true conception of economy. As a rule, the only desire of a Government architect is to prepare plans for a handsome building that will serve to enhance his reputation. This is new

expenditure, and will fall heavily upon Queensland, South Australia, and Tasmania. Those States are at present suffering acutely from the extensive expenditure that is being incurred in connexion with new works, and I should like to know whether the Postmaster-General as well as his predecessor have carefully considered the plans and specifications for these additions. The services of an architect are undoubtedly valuable, provided that he is told how much his employer is prepared to expend. The building in which we are assembled was designed by an architect who was told that he might spend anything up to half-a-million; but we know that £1,000,000 was expended. Architects have magnificent ideas, but it takes a lot of money to give effect to them. I observe an item of £2,500 for a new post-office at Warracknabeal. I am told that that flourishing town already has a post-office which is doing good work. Is it intended to replace that excellent building at a cost of £2,500?

Mr. PHILLIPS.—Has the honorable member seen the building?

Mr. HENRY WILLIS.—No, but I have been told that the district has a population of 5,000, and that the town has an excellent post-office, where the work is done efficiently. £2,500 is a large sum to spend in providing a post-office for this insignificant town, especially when an excellent front could be put to the present building at a cost of £1,500. I know of some towns similarly situated, where a grant of £1,000 has been made to provide a front to the existing building. The honorable member for Macquarie comes from a State in which public money has been spent most lavishly in this direction. But in Victoria, South Australia, and other States, such lavishness is not appreciated. £2,500 is altogether too much to vote for a new post-office at Warracknabeal. If the burden had to fall upon the people of Victoria alone, and they desired the expenditure to be incurred, the case would be different; but Queensland, New South Wales, South Australia, and Tasmania will be debited with a portion of the outlay. If so much money is not required to provide the necessary accommodation for the proper conduct of postal affairs in this town, then its expenditure will be a waste of public funds. I think that the item of £10,000 for extending the General Post Office in Melbourne should be looked into th-

roughly, because it will involve a total expenditure of at least £30,000, and the item of £2,500 for a new building at Warracknabeal could very properly be reduced to £1,500.

Mr. GROOM (Darling Downs—Minister of Home Affairs).—A new post-office at Warracknabeal is absolutely necessary, because the present building is really unsafe, and is not worth repairing. The foundations are defective, and altogether the building is in a very bad state of repair. In constructing the new building it is intended to utilize all the material in the present one. The old brick building is absolutely useless and unsafe, and it is necessary to provide adequate accommodation for the postmaster, as well as for the work which is to be done. This proposal involves no undue extravagance. It has been subjected to criticism by four Ministers, to see if it were not possible to reduce the expenditure, but it was found absolutely necessary that it should be incurred. As regards the extension of the General Post Office in Melbourne, it is not intended to erect a temporary structure, because to do so would be practically to waste public money. A plan has not yet been decided upon, but the intention is to lay down permanent work, with a view to eventually completing the original structure. It is not proposed to waste any money on the erection of temporary buildings, which, after they had served their purpose, would have to be pulled down. As a matter of economy to the Commonwealth as a whole it is considered that lasting work should be done. The question as to whether it is necessary to bring letter carriers into the head office is one which is outside the jurisdiction of my Department, and on which perhaps, the Postmaster-General may offer some observations.

Mr. BAMFORD (Herbert).—I have never inspected the General Post Office in Melbourne, but I quite agree with the action of the late Minister in his efforts to largely increase the accommodation for the officers. Many improvements to the General Post Office in Sydney have been made, and there is no reason why essential accommodation should not be provided in the General Post Office here. Last night I had to complain of the dilatory conduct of the Defence Department in regard to matters which I had continually submitted. I have a similar complaint to make against the Post and Telegraph Department. In my

electorate there are many places which are very ill served in regard to post-offices. Chillagoe, which is an important town, and the centre of a large district, with a considerable population, has only a contract post-office. I am convinced that Chillagoe deserves a higher grade of office than it has. At Atherton, a large piece of land has been reserved in the centre of the town for post-office purposes. Part of it might be sold, and the proceeds devoted towards the erection of a new building. The place was visited by many honorable members on the tour in Queensland during the recess, and they will know that the inhabitants are very badly served in regard to postal requirements. Other places in my electorate are similarly situated. Cairns is a large town, the centre of an important district; but only £2,500 is set down for a post-office for it, whilst the same sum is to be devoted for the erection of a new office at a place like Warracknabeal, which, I learn from honorable members who have been there, is merely a little one-horse place of no consequence, inhabited by a few men and several dogs. I really cannot see why such a place should occupy the same position in regard to expenditure on post-offices as an important town like Cairns. I can see no reason for these anomalies. The only conclusion I can draw is that favoritism is shown to Victoria and to New South Wales.

Mr. PHILLIPS (Wimmera).—I am glad to hear that it has been decided to expend £2,500 on the erection of a new post-office at Warracknabeal. I was not present at the early part of the sitting to-day, but when I arrived I was told that a certain amount of opposition was being exhibited to the proposed work. Those honorable members who are criticising it surely know nothing about Warracknabeal. I contend that the expenditure is fully justified. Three Postmasters-General have considered and approved of the work, which has been recommended by their inspectors. The matter reached a climax a short time ago, when tenders were invited for the repair of the old post-office. Those tenders would have involved a considerable expenditure, and the inspector reported that, after all, it would only be a piece of patchwork, and that the money would be wasted. Something has been said about the population of Warracknabeal. It numbers about 3,000

people, and the population of the district at the present time is about 7,000. A short time ago Warracknabeal was seventh or eighth on the list of Victorian post-offices, a fact that indicates that the business done there was equal to that done at any other town of similar size in the State. That fact is some justification for the construction of the new office. The residents of Warracknabeal have made an application for a telephone exchange to be established, and, if it is granted, it will, of course, mean that increased accommodation will be required. The present building is wholly insufficient. I am perfectly satisfied that if honorable members would visit Warracknabeal, see for themselves the size and importance of the town, and form an opinion as to the resources of the district, they would without hesitation come to the conclusion that the existing accommodation is insufficient, and would support the vote. I trust that no further opposition will be shown to it, because I am satisfied that the work is necessary, and should be carried out.

Mr. McDONALD (Kennedy).—It is all very well for the honorable member for Wimmera to say that this work is necessary, but what we want to know is why a new building is required. It may be true that the old post-office is in a bad state of repair, but that is no reason why we should spend £2,500 on a new building, especially as we have been told that £1,000 expended on the old office would make it sufficient to meet all requirements. We learn from the Minister that £2,500 does not cover the whole of the expenditure, because the material in the present building is to be utilized in the construction of the new one. Evidently it is good material, and would be worth, say, £300 or £400. If it is good enough to use again, one must come to the conclusion that it would be cheaper to repair the present office. I presume that this expenditure will fall upon the whole Commonwealth. We are quite justified in opposing any outlay which is likely to be a heavy burden upon the people.

Mr. PHILLIPS.—A part of the burden is thrown on Victoria.

Mr. McDONALD.—Victoria bears no burden beyond its proper proportion of the cost of buildings. My complaint is that expensive buildings of this character are erected in places where they are really not necessary. Neither the honorable

member for Wimmera, nor the Minister in charge of the Estimates, has shown any need for an elaborate building such as that proposed. There may be hundreds of other post offices in the same class as that at Warracknabeal; and requests for elaborate buildings of this kind will lead to extravagant expenditure and endless trouble. Under the circumstances, I move—

That the item, "Warracknabeal, £2,500," be reduced by £1,500.

Unless we obtain some further information, showing the expenditure to be absolutely necessary, I shall press this amendment to a division.

Mr. KELLY (Wentworth).—The amount proposed is large for a small place like Warracknabeal, but we ought, in my opinion, to accept the assurance of the honorable member for Wimmera that if we visited the district we should be satisfied that the sum is required.

Mr. KENNEDY (Moir). — I am pleased to see that the Committee is in an economical mood this morning. I am surprised, however, to hear the honorable member for Wimmera supporting a proposal for such exorbitant expenditure on a post-office at Warracknabeal. It is, further, surprising to find the ex-Postmaster-General, who is now a prominent member of the Opposition, in the forefront in supporting this expenditure at a time when he has no responsibility.

Mr. SYDNEY SMITH.—I only exercise the same right that the honorable member is exercising.

Mr. KENNEDY.—We know that the honorable member for Macquarie administered the Post and Telegraph Department with such care and tact as to earn the respect of every honorable member, and it is now alarming to hear him advocating this lavish expenditure at a time when he has practically no responsibility. We all know that a brick building means a substantial building; and I am certain that not many years since a very considerable amount was expended on the post-office in this town. The ex-Postmaster-General had most piteous appeals from very important centres in the Commonwealth for cheap buildings in which postal business could be conveniently transacted, and he was hard-hearted enough to refuse those appeals. I should like to know what it was that affected him to such an extent that he granted the request of the residents of Warracknabeal.

Mr. SYDNEY SMITH.—I must do not remember the honorable member for Wimmera ever waiting on me.

Mr. PHILLIPS.—All I did was in a petition signed by the residents.

Mr. KENNEDY.—I have not made any charge against the honorable member for Wimmera, who, I would make no request which I feel was justified on its merits.

Mr. JOHNSON.—When was the building erected?

Mr. KENNEDY.—It cannot be more than twenty years ago, because Warracknabeal as a town is only of very recent date.

Mr. SYDNEY SMITH.—I think it was that the present building is of recent date.

Mr. KENNEDY.—That is strange in the case of a brick building up so recently. We have attention drawn to the fact that the Government has accepted contracts, and to provide for very essential parts of the buildings. I trust that the Minister will be able to give a full explanation of the necessity for the proposed expenditure.

Mr. AUSTIN CHAPMAN (Monaro—Postmaster-General).—In reference to the matter brought forward by the honorable member for Yarrawonga, the attention of the Committee is directed to the fact that the report of the Sorting Committee on the Melbourne Post Office. They say—

Owing to the extremely inconvenient position, and the very limited space in the room, obstructed by numerous large and obsolete fittings (see rough plan of room and fittings submitted), together with the fact that the letter carriers' room is on the corner of the building, and the delivery room in another street, proper organization of the vision are very difficult, if not impossible. The arrangements cause delay and consequent expense, as two lifts have to be provided for the conveyance of mail matter, letter carriers' staff to the letter carriers' room, and cannot be made of the available space. It could be remedied by the erection of an expensive L-shaped annex on the corner, extending from the mail room to Elizabeth-street, thence to Elizabeth-street, thus adding about 6,000 square feet of space, as a large part now available for the letter carriers' room. The proposed addition would enable the letter carriers' room to be placed in a central position, leaving sufficient space for the introduction of the bag rack system. It would also permit of the delivery room being removed to a more convenient position for the public, on Elizabeth-street, and allow the service of letter carriers to be utilized during the time now wasted waiting for correspondence to be delivered.

them under the present slow process, at the same time expediting deliveries to the city and suburbs.

That is the position in the Melbourne Post-office, and I should like to say that, even if there were no centralization, the additions proposed are absolutely necessary to provide reasonable accommodation for the officers employed, and to enable them to carry out their work with the expedition which the public demand. I have looked into the plans placed before my predecessor, and, although they have not been definitely decided upon, I can assure honorable members that nothing of a temporary character will be approved. In all the cities of the Commonwealth, and in fact in every place whose permanency is established beyond any doubt, only buildings of a permanent character will be constructed.

Mr. HUME COOK.—Will not the Minister see that the character of the building is preserved in the case of the proposed additions to the Melbourne Post Office?

Mr. AUSTIN CHAPMAN.—Certainly. Whilst £30,000 is asked for, it is proposed to spend £10,000 at the present time in a way which will preserve the character of the building, and later on if additional accommodation be found necessary we can add storey to storey, and there will be no need to pull down any of the work previously constructed. I had a report prepared on the subject of centralization, which really means that letter-carriers are sent out from the Melbourne office in many cases, instead of from some of the suburban offices. Whilst we should be desirous of treating the letter carriers, and all the public servants of the Commonwealth, as well as we can, the convenience of the public must also be considered. There can be only one desire on the part of the Department, and that is to give the best possible service at the least possible expense, and whilst the officials of the Department are treated fairly they must expect to have to do the same work as they would be required to do if the Post-office were a private institution. There is no doubt that the vast increase in the work of the letter carriers has been brought about by the reduced rate of postage in Victoria. The report on the subject says—

This vast increase is accounted for by the introduction of the penny postage, and the new Postal Rates Act, also the general increase of population. It therefore follows that a very large increase of sorters would be required if the

old system were reverted to. At least twenty-five additional sorters would be required at the General Post-office, and a number of sorters would also require to be appointed at the suburban offices; and even then their services would not nearly be so rapid or efficient as at present, and the public would not tolerate the delays which would be unavoidable with such a system after experiencing the benefits of the present one.

I do not think any one will seriously contend that we should go back to the old system. It would mean the employment of twenty-five more sorters, whilst the public would not be as well served as they are at present. The Government are of the opinion that centralization is a bad thing if it can be avoided. It is the policy of the Post-office Department wherever it can be done to distribute the work, and let each centre take care of itself. But when the adoption of such a policy involves extra expenditure without securing a better service, we do not propose to run a good principle to death. As regards postal facilities at Chillagoe and Atherton, any representation made regarding those places will receive every consideration. It is not the function of the Postal Department to erect grand buildings, because I think that when the convenience of the general public is fairly met with suitable offices, we should do what we can to provide better facilities of communication for those who are living in distant places. In many districts contract offices are better than official offices—the three grades of offices being non-official, contract, and official. The representations of the honorable member for Herbert will have every consideration, and so will those of other honorable members, especially when they have to do with the requirements of the back-blocks. The design and construction of the Warracknabeal office are really matters for the Department of Home Affairs; though, of course, the postal authorities will have something to say as to the accommodation to be provided. I would remind the Committee that these Estimates were prepared by the previous Government. My predecessor looked very carefully into this matter, and we all know how painstaking he is, and how strong is his desire for economy, and when I add that they were also scrutinized by the late Treasurer, whose views as to the desirability of keeping down expenditure are so well known, honorable members need not be very much alarmed at the proposal. Complaints have been made that many requests for offices in the country districts

have not been complied with, because Victoria cannot afford to comply with them, though, whenever a good case is made out, I will give consideration to it. Warracknabeal is an important place, with a pretty big postal business, requiring the employment of a staff of eight officials. When a new post-office was asked for, the district inspector was instructed to report on the subject, and on that report the following minute was written:—

This is really a matter for the Department of Home Affairs to decide. The district architect has reported that, owing to the foundation having given way, the present building will, at no distant date, be unsafe.

In the face of that report, I do not see the justification of questioning the advisability of the proposed expenditure. It is desirable that we should be economical, but £2,500 is not a large sum for the erection of a post-office in a large place like Warracknabeal.

Mr. JOHNSON (Lang).—In my opinion, the explanation of the Postmaster-General has not justified the expenditure of so large a sum as £10,000 on the General Post Office in Melbourne, an expenditure which only forms part of a proposed total expenditure of £30,000. In my opinion, there is too much expenditure on ornate buildings, to the neglect of public requirements in other directions, such as improved and cheapened telephonic communication. Ever since I have been a member I have been trying my hardest to obtain from successive Postmasters-General telephonic communication for Miranda, Cronulla, Sylvania, and adjacent places, which are absolutely without this ordinary convenience. Sutherland, the nearest place to which there is a telephone, is a considerable distance away, and that telephone was only recently erected, after persistent effort, at a cost which was very small.

Mr. SYDNEY SMITH. — Because we adopted the condenser system.

Mr. JOHNSON.—The district to which I refer contains a much greater population than that of Warracknabeal. I am at the present time having considerable difficulty in the effort to get a public telephone at the new railway station at Oatley, the centre of a busy and fairly populous neighbourhood. Although successive Postmasters-General cheerfully acquiesce in the erection of costly post-offices in country towns, they demur at granting telephonic communication to districts where people cannot properly conduct their business without it.

The Postmaster-General has told us that, according to the district inspector's report, the Warracknabeal post-office is in a state of disrepair, and that the foundations are giving way, and it may become unsafe. The present building, however, must be a comparatively new one, because Warracknabeal has not existed as a town for many years.

Mr. PHILLIPS.—It has existed for thirty-five years.

Mr. JOHNSON.—I understood that the present building has not been erected very long. If its foundations are giving way, that must be owing to the unsuitability of the site, or due to a defect in construction which reflects upon those responsible in the first instance.

Mr. WATKINS. — Warracknabeal is the capital of the Wimmera.

Mr. JOHNSON.—I believe that it was a fairly important centre until the railway was extended further on, but that since then it has declined.

Mr. AUSTIN CHAPMAN.—Its postal revenue this year was £300 greater than its postal revenue last year.

Mr. JOHNSON.—We are asked to give what is equivalent to a present of £1 per head to every resident in the town, because of an increase of £300. In Marrickville, although there is a population eight or ten times as large as that of Warracknabeal, the postal business is transacted in an office which cannot have cost anything like £2,500. It seems to me that one-storey weatherboard structures would be sufficient for places like this. At the same time, while I am not disposed to support the item as it stands, I think the honorable member for Kennedy is proposing too drastic a reduction. In my opinion, the Department should do not more, when erecting post-offices, than meet the actual necessities of the towns in which they are to be erected, and any savings could be expended in extending telephonic communication. I shall oppose all the items in which I think that the proposed expenditure is too great, until more recognition is given to the needs of the country in regard to telephonic communication. Since I have been in this Parliament, I have, as the result of eighteen months' hard work, secured the construction of only one small telephone service on the condenser system.

Mr. SYDNEY SMITH.—The honorable member wanted me to make a departure



from a regulation—a departure which if it had become general would have resulted in great loss of revenue to the Commonwealth.

Mr. JOHNSON.—A resolution was passed by this House in favour of an amendment of the regulations which would permit of the extension of the telephone system; and I think that effect should be given to the wishes of honorable members. The residents in the other States should not be subjected to inconvenience because of some special arrangement which is in force in regard to the out-of-date telephone system of Western Australia. We should cheapen and extend telephone facilities as far as possible, and, in the meantime, oppose all proposals for lavish expenditure in the erection of elaborate post-offices where they are not required. At the same time I think that the honorable member for Kennedy has proposed too great a reduction upon this vote, and I cannot go the whole way with him. I hope the Postmaster-General will do his best to give effect to the resolution passed in favour of providing better facilities for telephone extension, and at lower rates than those now charged beyond the metropolitan radius, and that he will alter any regulation that may prevent the desire expressed by honorable members from being carried into effect.

Mr. STORRER (Bass).—We have been told by the Minister that the plans which were prepared last year were very carefully considered by the Postmaster-General and the Treasurer; but it is very strange that so many of the votes proved to be larger than were required. Last year we passed the sum of £5,500 for expenditure upon sundry offices, but only £1,075 was spent. This year it is proposed to revote £2,600, and to also appropriate £500 for new service, making a total of £3,100. The total vote for this year, added to the amount spent last year, represents a considerably smaller sum than the appropriation for 1904-5, and I should like to know whether we are justified in placing any reliance upon the estimates of our officers. Why is it that the large sum voted last year is not now regarded as necessary? We are here as a Committee of review, and we should not vote a single shilling unless we are satisfied that it is required. If we are called upon to rely solely upon the reports of the officers, we might just as well pass everything they propose with-

out question. Last year £838 was appropriated for expenditure upon the sewerage of sundry offices, whereas only £266 was spent. This year it is proposed to revote £150, and to spend £200 upon new service, making a total of £350, which, added to the amount expended last year, gives us an aggregate considerably lower than the previous appropriation. I showed also that in one case in Tasmania, £1,100 more than was required was voted. Our officers should present us with reliable estimates in the first instance, and, if we consider that the proposed votes are justified, the money should be spent during the year. If, on the other hand, the officers present excessive estimates, they cannot be properly discharging their duty. I do not approve of the proposal to spend £10,000 in making additions to the General Post Office, Melbourne, before we have any plans submitted to us. For all we know, £8,000 might be sufficient, or, possibly, £12,000 might be required. I think that the proper course in all these matters is to offer a bonus for the best plan submitted.

Sir JOHN FORREST.—We have to carry out the original design.

Mr. STORRER.—I do not know that that is always the best course to adopt. We ought to profit by our experience, and to recognise that modern buildings are, if not so ornamental, more useful than those which were erected years ago. We should be careful not to vote large sums of money which are not required for expenditure during the year, because the extent to which our balance-sheet has been inflated on the wrong side has prejudiced us in the eyes of the general community.

Mr. GROOM (Darling Downs—Minister of Home Affairs).—I might explain to the honorable member for Bass that during the year additions have to be made to various offices and buildings, regarding which no precise estimates can be furnished, because we do not know what requisitions may come in. The Estimates have to be based upon the experience of preceding years, and I hope the honorable member will not find fault with the Minister in charge, or with the officers, if they endeavour to keep the expenditure during the year below the amount appropriated.

Mr. STORRER.—What about the item for sewerage—£500 or £600 more than required was voted last year.

Mr. GROOM.—The £150, which it is proposed to revote, is to be devoted to the sewerage of the Hawthorn and Flemington Post-offices, and the £200 to be appropriated for new service is to provide for the sewerage of the post-office at North Melbourne. We must also appropriate a sum to meet general contingencies in connexion with additions to sundry offices.

Mr. STORRER.—The amount is a very large one.

Mr. GROOM.—The £2,600 which we are asking honorable members to revote, is required to complete works which are already in progress at the post-offices at Bairnsdale and Windsor. The Estimates last year were not passed until December, and, therefore, only six months was available within which to carry out the work authorized. It is proposed to appropriate only £500 for new services arising during the year, and I can assure the honorable member that the object of the officers has been, and will be, to minimize the expenditure as much as possible.

Mr. LONSDALE (New England).—I think that our expenditure from beginning to end is upon altogether too lavish a scale. It must be remembered that the taxpayers have to provide this money. If we were conducting a business of our own we should conduct it upon economical lines, because we should have to provide the funds with which to carry on operations. But as we do not feel the pinch in that respect, we are not so careful as we might be in sanctioning expenditure upon Government departments. It appears to me that in some way or other we should endeavour to discover a much less lavish method of spending the taxpayers' money. I contend that amounts which have been voted for services which may be carried out during the current financial year, should not appear upon the Estimates as revotes. They should be struck out, and we should vote the money as if it were to be spent upon new services. Of course if any amount is intended to be expended upon any work which is in progress, a revote will be unavoidable. The Minister of Home Affairs has declared that it is necessary to vote a large sum to cover contingencies. I contend that if those contingencies have not arisen, and if the amounts have not actually been spent, they should not appear upon the Estimates as revotes, but as expenditure upon new works. I do not think we should complain, because the expenditure upon these works has been kept

below the estimate. So long as the services are well conducted we should encourage the Government to make savings wherever possible. It is far better that high estimates should be submitted for the carrying out of public works than that we should be furnished with low estimates, and should afterwards be required to vote additional money for the purpose. To my mind the proposed vote in connexion with the Warracknabeal Post-office is an unduly large one, despite the fact that both the Postmaster-General and the honorable member for Macquarie, agree that it is absolutely necessary. We should keep a tight rein upon our expenditure. I believe that for a less amount than £2,500, we can provide all the accommodation that is necessary at Warracknabeal. In my opinion, we should be acting wisely if we despatched a representative to Canada to ascertain how it is that similar works there are carried out upon cheaper lines. I think that our telephone system should be extended in the interior as far as possible. In this connexion I have no special complaint to make, but I know that in a pastoral district in the constituency which I represent, the residents are very desirous of obtaining telephonic communication. The cost of providing them with this great convenience is estimated at £300. They have offered to contribute £100 towards the erection of the line before the work is commenced, but so far their application has been refused. I admit that the Postmaster-General is obtaining another report upon the matter. In districts where men are prepared to prove their *bona fides* by contributing one-third of the capital cost of telephone lines before they are erected, I think that their claims should be considered. If the regulations do not permit of that being done they should be altered. We do not ask the residents of Melbourne to put their hands into their pockets and contribute more than £3,000 of the proposed vote of £10,000 which is intended to provide additional accommodation at the General Post-office. Of course we may be told that in our cities there are large populations, and that, therefore, these works are reproductive. But they are reproductive only because of the primary producers. Seeing that the individuals to whom I have referred, are prepared to tax themselves to the extent of 33 per cent. upon the capital cost of the undertaking, there should not be the slightest hesitation in carrying out the work. I

admit that it is very difficult for us to control our expenditure. To a large extent we have to accept the Estimates submitted upon trust, but I do think that Ministers should exercise the closest supervision over them, and that, instead of sanctioning the erection of costly buildings, they should be content with less pretentious structures, in which the business of the Departments can be comfortably transacted.

Mr. CULPIN (Brisbane).—I desire to say a word or two upon the proposed vote in connexion with the Warracknabeal Post-office. It seems to me an unduly large one, especially in view of the treatment which was meted out to the Woollangabba Post-office, in Queensland. Last year a sum of £2,010 was voted for the erection of a post-office at South Brisbane, but only £904 of that amount was expended. I think that that fact constitutes an argument in favour of reducing the vote for the post-office at Warracknabeal. The latter town is said to be situated in the "back-blocks." I am sorry that the honorable member for Hunter is not present, because I should like to know if his definition of "back-blocks" applies to Warracknabeal.

Mr. HENRY WILLIS (Robertson).—I think that the Postmaster-General made a satisfactory explanation of the proposed expenditure of £10,000 upon the General Post Office of Melbourne, and consequently I shall offer no opposition to that item. In the case of the Warracknabeal Post-office, however, I am satisfied that all the adverse criticism in which honorable members have indulged has been thoroughly justified. In that office I find that it will be necessary to provide accommodation for only eight officials, and that the material used in the old building, including the fittings, can be utilized in the new structure. On the other hand, I find that at Mosman, in Sydney—the locality in which the Postmaster-General resides—although a new building is to be erected upon a new site, and despite the fact that accommodation must be provided for seventeen officers, the proposed expenditure is only £2,100. It seems to me that the Postmaster-General has proved that a vote of £2,500 in connexion with the Warracknabeal building would be an excessive one. I urge the Committee to amend the amendment of the honorable member for Kennedy, and to agree to a reduction of the amount by £1,000. I contend that an

expenditure of £1,500 will provide ample accommodation there.

Mr. AUSTIN CHAPMAN.—The foundations constitute the trouble. What am I to do when my officers, and the Federal architect, tell me that the work cannot be undertaken for less than £2,500?

Mr. HENRY WILLIS.—The Postmaster-General can commence *de novo*. As a business man, it seems to me that the honorable gentleman has clearly established the fact that an outlay of £1,500 will provide ample accommodation for the officials at Warracknabeal.

Mr. McDONALD (Kennedy). — From inquiries I have made, I learn that the greater portion of this sum is required for putting in a foundation, and that that fact accounts for the high cost of the new building. It is said that, owing to the rottenness of the ground, it would cost two or three times as much to put a new foundation under the existing building as to lay down a foundation for the new building. Although there is no stone in the district, a certain amount of material will be available from the old building. In my opinion, however, the amount we are asked to vote is too large. My principal objection is not so much to the cost of the new building as to the distribution of the expenditure amongst the various States. In view of the fact that New South Wales has a population nearly three times as great as that of Queensland, the result of this rule will be that in the near future Victoria and New South Wales will be compelling the smaller States to bear a burden which is really beyond their capacity. I feel that the appropriation of these large sums for the erection of post-offices will impose a very heavy burden upon the smaller States. It is high time that the whole matter was looked into very carefully, and a reduction in the cost of new buildings was made. From what I have heard, I am satisfied that the reduction proposed in the vote for a post-office at Warracknabeal would be too great, and therefore I ask leave to withdraw my motion.

The CHAIRMAN.—It is not necessary for the honorable member to ask leave, because the question has not yet been put from the Chair.

Mr. BAMFORD (Herbert). — I am thankful to the Postmaster-General for giving me an assurance that he will take into his consideration the matters I mentioned

this morning. . He implied that I had not previously communicated with the Department, but the fact is that my representations on the subject have been protracted over a period of four years. I hope that prompt attention will now be given to my requests. It has been laid down as a rule that a town cannot be provided with an official post-office unless the postal revenue is £400. The postal revenue at Atherton exceeds that sum. In the centre of the town there is a piece of land which is absolutely suitable for a post-office, and which has been granted for that purpose by the State Government. There is no reason why an official post-office should not be provided. At the present time the postal business is done at the railway station, to the great inconvenience of every one, for it must be remembered that Atherton is a large distributing centre. I hope that the Minister will place an amount for this purpose on the Supplementary Estimates for this year. The sum of £2,500, which has been put on the Estimates for the Cairns post-office, is rather small; but I do not complain on that ground, because I learn from a foot-note that the new building is estimated to cost £3,000. I ask the Minister to give more than the usual formal consideration to the matters I have mentioned. I have no wish to ventilate any grievance here until I have found that I can get no satisfaction from the Department.

Mr. JOHNSON (Lang).—I desire to obtain a little information about the item of £2,500 for the Cairns post-office, which, we are told, is estimated to cost £3,000. Is this large sum also due to defective foundations, or is it required for making additions to the existing building, and, if so, does the state of the postal business warrant the expenditure?

Mr. GROOM (Darling Downs—Minister of Home Affairs).—At Cairns it is proposed to erect a new post-office. The postal inspector reports that the accommodation in the present building for the public is totally inadequate. It is merely a portion of an eight-feet verandah, which is blocked in with part of the original walls of the main building left open, and just a counter inserted. Behind the counter there is very inferior accommodation. The space for handling the mails is exceedingly limited. In fact there is a block when the officers try to do mail business. The public lobby, the telephone exchange, and the telegraph

office are under a skillion roof. Of course, it can be easily imagined that during the summer months the atmosphere is exceedingly trying to the staff. During the greater portion of the day, from about ten to four, fourteen officials are obliged to work under very trying conditions.

Mr. JOHNSON.—What is the state of the Cairns?

Mr. GROOM.—It is a very important place, and is likely to become one of the most important in the northern part of the State. The old building, and I can say that it is absolutely required. The main building is positively dark, because daylight is admitted through a small window in the back skillion. If ever any expenditure for a post-office was justifiable, this is the case. When the new building is erected, the old building will be used for the purpose of a dwelling. I am unable to give the member for Lang an idea of the revenue, but I can assure him that it is a very large distributing centre. It is a starting point of not only several railways, but also several railways, with up large mining and pastoral properties. The expenditure of this sum is quite justifiable, especially when it is remembered that the present building has accommodated from twelve to fourteen of

Mr. CULPIN (Brisbane).—As I have visited Cairns, I can indicate the word that the Minister of Home Affairs has said in reference to the importance of the district and the necessity for a post-office there. The item in question appears to be the most important in the Estimates for new works and buildings in Queensland, and it seems unfair, at the least, that the number of works carried out in that State should be limited. Prior to Federation the Government took steps towards rebuilding the General Post Office at Brisbane, but practically nothing has since been done in that direction. I think that the representatives of Queensland have a right to expect that provision shall be made for new works in that State, and particularly in the capital city. I direct the attention of the Committee, not to the items under the heading of "Queensland" in the Estimates, but to the absence from the provision for many necessary improvements. The operators at the General Post Office are handicapped by want of room, and it seems to me that more consideration

be shown for the wants of Brisbane generally.

Mr. HENRY WILLIS (Robertson).—I should like the Minister to give the Committee some information as to what is being done in regard to a new General Post Office for Brisbane. Before Federation was established tenders were called for competitive designs, so that the people of the State were evidently of opinion that a new building should be erected.

Mr. CAMERON.—They probably thought that with Federation the other States would be jointly responsible for the cost.

Mr. HENRY WILLIS. — That cannot fairly be said, because competitive designs were invited several years before Federation. In these circumstances, I should like to know why nothing has been done to provide the increased accommodation required.

Mr. TUDOR (Yarra).—The honorable member for Lang has questioned the advisableness of the proposed expenditure on the Cairns post-office, but I for one have no objection to offer to it. The Public Service Commissioner has placed the Cairns post-office in the fourth grade, and the Warracknabeal post-office in the ninth grade, and yet the proposed vote in each case is exactly the same.

Mr. GROOM.—In the case of Warracknabeal provision is made for a residence for the postmaster, as well as for a post-office.

Mr. TUDOR. — No doubt the Public Service Commissioner had regard to the work to be performed at the Warracknabeal office when he placed it in the ninth grade. The honorable member for Brisbane has raised a question that is likely to be frequently discussed in this Committee. He has pointed out that these estimates provide for an expenditure of only £7,145 on new postal works and buildings in Queensland, and that this is a small amount compared with the proposed expenditure in other States.

Mr. PAGE.—It is all that is necessary.

Mr. TUDOR.—That is so. The point I wish to emphasize is that we should regard these items from a Federal standpoint, and not from the point of view of a particular State. It was because of this feeling that I questioned the necessity for works proposed to be carried out in an electorate joining that which I represent. In dealing with these items we should study economy, just as we should do if

we were dealing with the expenditure of our own money. We should not be ready to sanction expenditure merely because it is to be borne by all the States.

Mr. JOHNSON (Lang).—I am glad that the honorable member for Yarra has compared the proposed expenditure on the Warracknabeal post-office with that on the post-office at Cairns. It appears from the statement made by the Minister of Home Affairs that while there are twelve officers employed in the Cairns office, there are only eight in the Warracknabeal office. I am not familiar with the two districts, but I gather that Cairns has a larger population and is a larger distributing centre than is Warracknabeal. We have also the assurance of the Minister that it is likely to develop into a town of great importance. I have no objection to expenditure that is shown to be absolutely necessary. If the accommodation at the Cairns post-office is such as has been described, improvements must be needed, but whether it is necessary to spend the amount proposed is quite another matter. In view of the explanations that have been given, the proposed vote seems to be more justifiable than does that to which we have agreed in the case of the Warracknabeal post-office. At the same time, I should like to know what accommodation is to be provided.

Mr. McDONALD (Kennedy).—I should like to know whether the Minister of Home Affairs is in a position to afford us an explanation regarding the position assumed by Queensland in reference to new works and buildings erected by the Commonwealth. The Commonwealth will bear the cost of these buildings, and I wish to know whether they will be our property?

Mr. GROOM.—Yes.

Mr. McDONALD.—I have been led to ask the question owing to the extraordinary action taken by the Government of Queensland in transferring from loan account to revenue, amounts equivalent to the expenditure incurred by the Commonwealth on new works and buildings in that State.

Mr. GROOM.—Can the honorable member quote a specific case?

Mr. McDONALD.—I am referring now to votes relating, not to postal buildings, but to defence works, and the erection of telegraph and telephone lines. It was pointed out the other evening by the honorable member for Macquarie that the expenditure charged to revenue by the Commonwealth from 1st July, 1901, to 31st

May, 1903, in respect of new works and buildings in Queensland, was debited by that State to their loan account. The Auditor-General's Report appearing in vol. 1 of the *Votes and Proceedings* of the Parliament of Queensland for 1905 prove that this has been done. We find that the amount charged by the Commonwealth to revenue on account of new works, &c., to 31st May, 1903, and now charged to the State loan fund, so as to recoup the revenue of the State, is £33,287 17s. 7d. in respect of electric telegraphs, £1,472 4s. 2d. in respect of defence, and so forth. I presume that when we pay for these buildings out of the revenue of the Commonwealth, they must become the property of the Commonwealth.

Mr. HENRY WILLIS.—And the old buildings also.

Mr. McDONALD.—I understand that we have to pay for the old buildings as transferred properties. It strikes me, however, that there may be a difficulty, not only with respect to Queensland, but as to other States also, in this respect. A State Government may have carried a vote in a State Parliament on account of a certain work, and would have no asset to show for the expenditure; and, by-and-by, when we come to pay for these buildings, the State Government may wish to make the Commonwealth pay again, because the expenditure has been charged to its loan funds. I know that this has happened in Queensland. The State Government will have nothing to show for the sums so taken from loan money, and credited to revenue, and unless we are able to show that this particular post-office was built from Commonwealth money we may have to pay twice. I want to know whether these buildings really belong to the Commonwealth after we have paid for them?

Mr. GROOM (Darling Downs—Minister of Home Affairs).—This is the first time that the point raised by the honorable member for Kennedy has been brought under my notice. I will look into it carefully. All properties that were exclusively used by the Commonwealth at the time of taking them over passed to the Commonwealth, and ultimately they will form the subjects of a settlement between the Commonwealth and the States concerned. The honorable member is quite right in drawing attention to any matter if he thinks that we may possibly be charged twice, in consequence of a State's method of financing.

I will certainly see that no such thing takes place. Of course, however, a State's method of financing is within its own jurisdiction.

Mr. McDONALD.—I merely wished to be sure as to the ownership of the buildings.

Mr. GROOM.—The Cairns post-office will be paid for by us, directly out of revenue. It is a transferred property. It is ours. All that we have to pay for are properties which belonged to the State at the time of transfer. They will be valued according to principles agreed upon, and the Commonwealth will be debited with the amount due.

Mr. McDONALD.—What is our status? If we spend this money for the construction of buildings, will they be ours after we have paid for them?

Mr. GROOM.—They are our property, and any money that we spend upon them we spend upon what is our own. The Treasurer informs me that the practice to which the honorable member has alluded has been discontinued.

Mr. McDONALD.—It was done in Queensland last year.

Sir JOHN FORREST.—It has not been done since the works have been debited *per capita*.

Mr. AUSTIN CHAPMAN (Eden-Monaro—Postmaster-General).—The representations which the honorable member for Herbert has made to my Department concerning the postal accommodation at Atherton have received consideration. I have asked the Deputy Postmaster-General of the State for a further report, and immediately I receive it the matter will be dealt with. In answer to the honorable member for Lang, I have to state that the revenue from the Cairns post-office is £6,500 a year. Cairns is an important place. As to the question asked by the honorable member for Robertson, the Inspector-General of Works has paid a visit to Brisbane, and has looked into matters concerning the General Post Office carefully. I believe that a project is on foot for making certain improvements, at a cost of a few hundred pounds, that will afford the necessary accommodation for some time to come. Nothing definite has been decided. The Inspector-General has only just come back. But the whole matter will be carefully considered, and I hope that what is reasonable will be carried out.

Mr. JOSEPH COOK (Parramatta).—I wish to refer to the lack of privacy in connexion with the telephone lines that are

ing multiplied, owing to the new systems made by the Department. A system was inaugurated by the late Master-General, and I have no reason to suppose that the present Postmaster-General is not carrying out the same policy. In country districts are now beginning to get the full value of the telephone system. The arrangements are faulty, inasmuch as there is no privacy in the use of the instruments. When a telephone is installed in a country post-office, unless there is a separate cabinet, people will not make full use of it. At present there is a lack of separate cabinets.

WATSON.—It would not cost much to put them in.

JOSEPH COOK.—It is a matter of making a very little expenditure, and the advantage to country people would be very great indeed. I believe that such an instrument would pay for itself over and over again. I ask the Postmaster-General whether money can be provided for this purpose. I congratulate both him and his predecessor on the new departure in connection with the installation of new telephone services. I am glad to see that the advances of science have made it possible for country people to enjoy the use of the telephone. The more we can do for people in the back country these advantages, which are always easily obtainable in the towns, the more we shall be carrying out the purpose for which the system was instituted. That is being done thanks largely to the energy and assistance of the late Postmaster-General, in connection with the use of what is known as the condenser system.

MAHON.—It was started by Mr. Watson when he was Postmaster-General.

JOSEPH COOK.—There is nothing new under the sun. When something which is to be new is invented, we usually find that in some form it has been in use from the beginning of time. But I venture to say that, for practical purposes, it is only very recently been discovered to what an extensive degree the condenser system can be utilized. Years ago the condenser system was talked of, but then scarcely any of the principal officers of the Department saw their way to adopt it, but now it is in the most gingerly way, with the result that in some cases extensive and costly duplications were made, which all have now been avoided. While this system is not new in the sense that it has now

just been discovered, it is new in its application. But what I am now asking is that where extensions have been granted the Department shall make them of the fullest possible advantage to the people. That can only be done by guaranteeing some privacy to the users of the public telephones. I understand that the telephone cabinets cost £4 or £5 each, but I think that, perhaps, they might be provided more cheaply. At any rate, whatever the cost, it may be regarded as nothing compared with the advantages conferred. In my opinion, the great increase of business would more than compensate for the outlay; and I ask the Minister to endeavour to rectify the inconvenience I have pointed out.

Mr. AUSTIN CHAPMAN (Eden-Monaro—Postmaster-General).—Instructions have already been given that wherever possible public telephones shall be so placed that they may be made use of in privacy. When this can be done in country places at small expense, it is only a question of time when it may be done in all, or pretty well all, places where the business of the user of the telephone is likely to be overheard by the public.

Mr. HENRY WILLIS (Robertson).—The telephones in the silence cabinets in various parts of Sydney ought to be so constructed and cabinets so managed as to be of more service to the public. They are largely used by business men, but it is found that in many cases the expenditure of the threepenny-piece elicits no reply, and on occasions, two or three coins have to be inserted before communication is accomplished. Moreover, the instruments provided are those of the earliest period, which have been discarded in other branches of the telephone system; and if the public cabinets are a failure, it is because they do not give general satisfaction. I hope the Minister will endeavour to provide up-to-date instruments. Personally, I have ceased to use the public telephones for the reasons I have indicated.

Mr. POYNTON (Grey).—I should like to know what provision has been made for the work which was promised in connexion with the service at Streaky Bay, South Australia. Only last week I received a telegram stating that this work had been held over for a considerable time; and I notice that no provision is made for it under these Estimates, although there was a promise

that the work was to be put in hand. Is it proposed to make provision in the Supplementary Estimates?

Mr. AUSTIN CHAPMAN (Eden-Monaro—Postmaster-General).—This matter has only recently been brought under my notice, and inquiries are now being made. The honorable member for Grey made some representations to me the other day, and on these a report has been asked for.

Mr. POYNTON.—But a promise was made that this work would be put in hand as early as possible.

Mr. AUSTIN CHAPMAN.—What is the particular work to which the honorable member refers?

Mr. POYNTON.—It is some work in connexion with the telephone system.

Mr. AUSTIN CHAPMAN.—That work is being attended to. What I was referring to was the request for the post-office; in this latter matter, a report has been asked for, and, when received, it will, of course, have attention.

Mr. JOHNSON (Lang).—An amount of £1,600 is provided for a post-office at Kadina. Will the Minister kindly give some information as to the work it is proposed to carry out?

Mr. GROOM (Darling Downs—Minister of Home Affairs).—The money is intended for the erection of a post-office. At present, the postal business at Kadina is conducted in premises belonging to the State, and we have received notice that the building is required by the State authorities. It, therefore, becomes necessary to provide a building of our own, and, in view of the population, and the importance of this centre, the sum of £1,600 is not regarded as excessive.

Mr. FRAZER (Kalgoorlie).—I see that £800 is provided for, I presume, the erection of a new post-office at Fimiston. In regard to this work, the Government cannot be accused of extravagance, because the experience of the people at this particular place, owing to the want of proper accommodation, has been most unsatisfactory. Great difficulty was experienced in getting a building of any description, considerable hostility being shown by the Department on, I understand, local advice.

Mr. MAHON.—But accommodation was provided very quickly when I became Postmaster-General.

Mr. FRAZER.—I am pleased to say that the honorable member for Coolgardie,

who knows the importance of this place, immediately acceded to the reasonable request for accommodation when he became Postmaster-General. At present, the Government pay a rent of £104 per annum for a building that is entirely unsuitable. It was alleged, when requests were originally made for accommodation, that the business likely to be conducted at Fimiston would not justify the erection of a post-office, but I am pleased to say that at this place is done the fifth largest amount of postal business transacted in the post-offices of Western Australia. Fimiston is in the very centre of the gold belt, known as the "Boulder Block," and the mines in the vicinity are producing about £7,000,000 worth of gold per annum.

Mr. JOHNSON.—Why all this explanation? Nobody is objecting to the expenditure.

Mr. FRAZER.—But I am complaining of the smallness of the amount provided, which is not more than enough to provide entirely inadequate accommodation. It is extraordinary that such an interjection should come from the honorable member for Lang, who is one of the great time monopolists in the Chamber. The honorable member has spoken for about half the time devoted to the Estimates, and has communicated less real information than has any other speaker.

Mr. JOHNSON.—I shall move a reduction of the amount provided.

Mr. FRAZER.—If the honorable member does so he will probably find himself alone. It is safe to say that within half-a-mile of the Fimiston Post-office there are 20,000 people at work during the working hours of the day, and very many of them can get to the post-office during the luncheon adjournment in order to transact mail business. The block of land on which the post-office is to be situated has been made available by one of the mining companies, which is a proof of the anxiety of the companies to have their business transacted near the mines. The cable business in connexion with the mines is of considerable magnitude. Although the Commonwealth, by an arrangement with the State Government, and in order to get a clear title to the land, has paid the sum of £500 for it, from an impartial valuation is estimated that it is worth £6,600. There is another aspect of the question which should receive some consideration. The climatic conditions prevailing in Kal-



goorlie are such that, during some months of the year, it is not possible for public officers to give reasonable satisfaction in their employment if they are compelled to work in a galvanized iron building. I trust that if the work is undertaken it will be carried out in such a way that it can subsequently be extended as the need for greater accommodation arises. Provision for a further sum might be made on the Supplementary Estimates, or from an advance account. I hope that the Postmaster-General will see fit to express an opinion on the subject.

Mr. JOHNSON (Lang).—I did not propose to offer any observations on this item, but when I suggested to the honorable member for Kalgoorlie that it was not necessary to enter upon a lengthy explanation of an item to which apparently there was no opposition, I was met with a reply which was designedly offensive in its character, and wholly uncalled for. If it were only as a matter of protest against the right of the honorable member for Kalgoorlie to constitute himself, with the characteristic bumptiousness of precocious youth, lecturer-general to the Opposition, I should be justified in asserting my right to challenge this item, or any other item on the Estimates. But I have still more solid grounds than the assertion of my right of criticism as a member of this House. I was previously unaware where Fimiston was situated, but I have since made some inquiries, and I find that it is about a mile from Kalgoorlie. From the information I have received, and from the anxiety displayed by the honorable member for Kalgoorlie to secure the expenditure of a larger sum than is proposed to be voted, I am convinced that the item is one of those which require investigation. But for the remarks of the honorable member it might have been passed over in silence. I find that Fimiston is situated between Kalgoorlie and Boulder City, at both of which places there are magnificent post-offices.

Sir JOHN FORREST. — Fimiston is 2½ miles from Kalgoorlie.

Mr. JOHNSON.—As Fimiston is connected by an electric tram service with Boulder City and Kalgoorlie, the people of the district can, with the greatest ease, make use of the post-office accommodation provided at either of the places mentioned, in addition to availing themselves of the Fimiston Post-office.

Sir JOHN FORREST.—Look at the revenue of the Fimiston office.

Mr. JOHNSON.—There can be no guarantee of a permanent revenue from a place which depends solely on the extent of the payable mineral deposits in the neighbourhood. Some justification should be shown for additional expenditure in a place which appears to be very well served already.

Mr. AUSTIN CHAPMAN.—There is a post-office there now.

Mr. JOHNSON.—I am aware of that, and, so far as I can see, it meets all present requirements without the necessity for a penny of extra expenditure. Seeing that the place is so close to the palatial post-offices at Kalgoorlie and Boulder City, I think it is unnecessary to expend this money at Fimiston. The post-office at Kalgoorlie vies with the General Post Office in Melbourne in the matter of structural magnificence and accommodation, and it is probably more up-to-date than is the Melbourne office. It would appear to have been designed to supply the requirements of the public for the next half-century. I feel disposed to move a reduction of the item by £775. I think that £25 would be a proportionate expenditure for a post-office at Fimiston, in view of the postal facilities provided by other offices in the neighbourhood of that place. I see that £13,000 is set down for the purchase of sites. I should like to know where these sites are to be purchased. The amount proposed to be voted is a very large amount, and we should remember that after all Western Australia is only a minor State by comparison with New South Wales and Victoria, and there is a great disparity in the sums proposed to be spent in these States. It appears to me that, by comparison with the votes proposed for works and buildings in the other States, those proposed for similar works in Western Australia are unduly large. We must keep a watchful eye on all proposals for expenditure, and not vote for items unless we see a justification for so doing. I shall be glad to get information from the Minister of Home Affairs as to where these sites are situated, and what they are required for.

Mr. WATKINS (Newcastle).—I have no sympathy with the first part of the speech of the honorable member for Lang, and I think that I can speak as impartially of Western Australian affairs as he can. When he talks of Boulder City being within a mile of Kalgoorlie, it is evident that he did not pay much attention to distances when in Western Australia.

Mr. MAHON.—What is the distance?

Mr. WATKINS.—So far as I could learn, it is about three miles by tram.

Mr. MAHON.—But to Fimiston?

Mr. WATKINS.—It is about two and a half miles to the place which, I believe, is known as the Boulder Block. How would the honorable member for Lang like the Department to close down all the post-offices in his district, so that his constituents would have to travel to the General Post-office by tram—a similar distance, though in summer time the climate would not be so trying?

Mr. JOHNSON. — There is some difference between the population of the two places.

Mr. WATKINS.—In Kalgoorlie and the neighbourhood there must be 40,000 people, and I have been told that the proposed post-office will serve at least 10,000 people.

Mr. JOHNSON.—But there is a post-office there now.

Mr. GROOM. — The Department pays £104 a year rent for the present post-office, and the building is very unsatisfactory.

Mr. WATKINS.—As the interest on the cost of the proposed new building would be only about £30 a year, it is cheaper to erect a building of our own than to continue to rent one. The honorable member for Lang was on firmer ground when he asked for information in regard to the proposed vote for the purchase of sites. The sum seems a large one, and we ought to be informed why so much more is being voted for one State than for any of the other States.

Mr. WILKINSON (Moreton). — The point just referred to by the honorable member for Newcastle also struck me. The proposed votes for new works for New South Wales, Victoria, Queensland, and South Australia are approximately proportionate to the population of those States; but the proposed vote for Western Australia is much larger than that for even the larger States.

Mr. McCAY.—More than one-fourth of the total vote is for Western Australia.

Mr. MAHON.—A large part is made up of revotes. Newly-settled States naturally require a greater expenditure in proportion to population than do the older States.

Mr. WILKINSON.—I understand that, and I do not cavil at the expenditure, because I think that in a few years the

matter will right itself. At the same time, Western Australian representatives have no reason to consider that their State has been overlooked. While the other States of the Commonwealth have had to pay for their own post-offices, the expense of providing Western Australia with new post-offices is to be borne by all the States. I did not raise any objection to this arrangement in connexion with Defence, because the whole Commonwealth is concerned in the defence of any part of Australia; but when advantages are being given to Western Australia in connexion with the construction of post-offices which the other States do not receive, the members of that State should not complain of neglect.

Mr. WATKINS.—A very good post-office is being provided for Cairns.

Mr. WILKINSON.—I leave the honorable member for Herbert to deal with that matter. The postal accommodation at Cairns is not commensurate with the importance of the town and surrounding district. The proposed expenditure of £800 on a post-office for an important centre like Fimiston is not exorbitant; on the contrary, it is good business to save something over £60 a year in interest, and have a property of our own, instead of continuing to rent private property. I hope, however, that in the discussion of these Estimates we shall all be actuated by higher motives than mere personal animus against the representative of any district.

Mr. McCAY (Corinella). — I have no quarrel with the fact that these Works Estimates provide for a much greater expenditure in Western Australia than that State would be entitled to on the basis of her contributions, because the policy that new works should be charged on a population basis was deliberately adopted by Parliament a year or two ago. The adoption of that policy was, I take it, the first step towards the uniform charging of Commonwealth expenditure on a population basis, but under it the more newly-settled States have the incidental advantage of receiving contributions for their public works from the people of the older States, while the people of the older States suffer a consequent disadvantage. I wish for information about items 6 and 9. I gather that the Fremantle Post-office is to cost £20,000 for land and buildings. I do not

at the moment remember what the population of Fremantle is.

Mr. GROOM.—About 25,000.

Mr. MAHON.—Fremantle is the gateway of Australia.

Mr. McCAY.—The post-office is not one of the portals of the gate. If the trans-continental railway were made, and Australian mails were transhipped and made up at the Fremantle Post-office, there might be some reason for providing special accommodation there; but no city of 25,000 inhabitants should require a post-office costing £20,000, unless under very exceptional circumstances.

Mr. AUSTIN CHAPMAN.—Land always costs a lot of money.

Mr. McCAY.—I am aware that land in Fremantle is very expensive. It would be difficult to find any land in London valued at a higher price than that attached to some allotments in Fremantle. Judging from my experience, the land values there are highly inflated and entirely fictitious.

Sir JOHN FORREST.—I do not think so.

Mr. McCAY.—It is usually unwise to prophesy, but I venture to predict that land values in Fremantle and Perth will, before very long, become much reduced. An enormous number of estates have been subdivided, and the subdivisions are not being sold, and, judging from the experience through which we have passed in Melbourne, there will be a heavy drop in values very shortly. Many persons who bought land in Melbourne twelve years ago would now be glad to accept an amount equivalent to half-a-crown for every £1 they have paid. The land boom in Perth has reached its highest point, but the ebb will come along a little later. I do not know what character of building it is proposed to erect at Fremantle, but it must be of a very substantial character. Even if land in Fremantle were worth £18,000 per acre, neither an acre, nor even half-an-acre would be required as a site for a post-office. I see that £13,000 is provided for the purchase of sites for post-offices, and I should like to know whether any large purchase is included in that amount.

Mr. GROOM.—The only large purchase for which provision is made in that amount is the site for the Fremantle post-office. The balance is intended to meet requirements that may arise in the future.

Mr. McCAY.—In that case, the Estimates are somewhat misleading as against the Government. I naturally concluded that

the £20,000 proposed to be appropriated for the Fremantle post-office, was quite exclusive of item 9. The Minister's explanation presents the matter in a somewhat more satisfactory light. I trust that in purchasing the site the Minister of Home Affairs will recognise that there are property-owners in Fremantle who entertain the same sanguine ideas as to values as does the Treasurer.

Mr. CARPENTER.—The land is to be resumed under the Property for Public Purposes Acquisition Act.

Mr. McCAY.—Then the Government will probably not pay more than twice as much as the land is worth.

Mr. CROUCH (Corio).—In view of the fact that the whole Commonwealth will have to pay for the proposed sites for post-offices, the Minister seems to have been particularly generous to Western Australia. £2,675 is proposed to be appropriated for the purchase of sites in New South Wales, and £100 for the purchase of sites in Queensland, whilst £13,000 is allocated to Western Australia. No money is set aside for expenditure in the same direction in Victoria or Tasmania. I should like to know why no provision has been made for the purchase of a site for a new post-office at Drysdale.

Mr. AUSTIN CHAPMAN.—I am obtaining a report on the subject.

Mr. CROUCH.—I do not suggest that the Postmaster-General has been over-generous to his own State, but I would point out that provision is made for the erection of eight new post-offices in New South Wales—which, unlike Western Australia, cannot be regarded as a new State—that Western Australia is to have four new post-offices, Queensland two, and Victoria only three. I understand that the Minister promises that provision will be made for the purchase of a site for a new post-office at Drysdale.

Mr. AUSTIN CHAPMAN.—Why does the honorable and learned member presume that?

Mr. CROUCH.—My representations to the Minister do not appear to have any weight, and it seems that nothing has any influence upon him except a deputation. If the Minister wishes to have his time occupied in receiving deputations, I can promise to bring a number of my constituents before him every day.

Mr. AUSTIN CHAPMAN.—There is not the slightest necessity for that, because the

honorable and learned member's representations are quite sufficient. I am looking into the whole matter.

Mr. CROUCH.—Drysdale, which is very much older than a number of these towns which are of mushroom growth, does not yet possess a post-office, and I think that a modest amount should be placed on the Estimates for the purpose of providing it with one.

Mr. GROOM (Darling Downs—Minister of Home Affairs).—Concerning the item which has been mentioned by the honorable member for Kalgoorlie, complaint is made that in view of the importance of Fimiston, and of the volume of business which is transacted there, the sum provided in the Estimates is not sufficient. On the other hand, it is contended that no money should be expended on the Fimiston post-office at all. As a matter of fact, inquiries have been made by various officials, who report that an expenditure of £800 is necessary to erect a post-office at that place, and would be adequate for that purpose. A considerable business is transacted at that important centre, where we are at present paying a rental of £2 per week for post-office accommodation.

Mr. FRAZER.—The amount provided will only be sufficient to permit of the erection of an iron building.

Mr. GROOM.—In regard to that matter the honorable member has made very strong representations, which will receive attention at the hands of the Government.

Mr. FRAZER.—Will the Minister admit that an expenditure of £800 will be merely sufficient to provide for the erection of a wood and iron building?

Mr. GROOM.—I understand that that is so.

Mr. MAHON.—There is very good building stone in the locality.

Mr. GROOM.—I will promise the honorable member that I will look into the matter. Of course, nothing can be done without the authority of Parliament. The honorable member for Lang and the honorable and learned member for Corinella may rest assured that it is not the intention of the Department to expend more than is necessary in the acquisition of sites and the erection of the requisite buildings. In the case of Fremantle, however, it is absolutely necessary that postal accommodation should be provided at the earliest possible moment. The money for this purpose was passed in last year's Estimates. A site

came up for consideration, and was practically approved, but its acquisition was not proceeded with. Action is now being taken to define the particular area required, and the necessary steps for its acquisition will follow. At the present time a little difficulty is being experienced in obtaining the requisite site, but I do not need to trouble honorable members with the history of that matter.

Mr. McCAY.—I suppose that the owner wants too much.

Mr. GROOM.—As a matter of fact, the owner does not desire to get rid of his property at all. That is a fair indication of his opinion of land values in the West. Of course, it is possible that these values may decline, but all that we have to pay regard to at the present moment is the fact that it is necessary for us to acquire a site and to erect a building upon it. In the case of Western Australia, too, we must recollect that we are dealing with a State which is carrying out large development works. It is a significant fact that each quarter its population returns show a considerable advance. A great portion of that population is an adult one, which means that new centres are constantly being opened up. As towns are formed and new settlements are established, the officers of the Department, looking to the needs of the future, recommend the acquisition of sites. I can assure honorable members that the sums which appear on the Estimates in this connexion are only such as are required to meet the requirements of the future.

Mr. MAHON (Coolgardie).—I wish to indorse the statement of the honorable member for Kalgoorlie that the provision which has been made in these Estimates for the erection of a post-office at Fimiston is insufficient. The sum of £800 is not adequate to erect a post-office in Kalgoorlie, where, on account of the climate and the dense population, there should be a building of a substantial character. Seeing that there is good stone to be had in the vicinity, and that the permanence of the Kalgoorlie field is undoubted, I think that a stable structure should be erected. I understand that the mining companies have given the surface of the land—which is very valuable—free of charge. The honorable member for Lang has argued that the proximity of Kalgoorlie and the Boulder to Fimiston renders a post-office at the last-named place more or less unnecessary. I quite agree

that the distances from Fimiston to each of these centres are not so great as have been stated. From Fimiston to Boulder the distance is about a mile, and to Kalgoorlie is under two miles. At any rate, there is rapid means of communication between these places. There is no doubt that a good deal of the postal and telegraphic business of that belt of country will now be concentrated in Kalgoorlie. I understand that the Department proposes to make Kalgoorlie the repeating station instead of Coolgardie, and to transfer some twenty or thirty operators to the former town. That proposal has been before the Department for the past eighteen months.

Sir JOHN FORREST.—That will be an injustice to Coolgardie.

Mr. MAHON.—Unfortunately, it seems to be unavoidable. In that event the accommodation provided at the Kalgoorlie post-office, which, even at present, is not more than sufficient, will be practically exhausted. That being so, I believe that it is necessary, in order to relieve the congestion of business at Kalgoorlie, to provide increased postal facilities for the people of Fimiston and the surrounding localities. If the Government are to be guided by the statements of those who, knowing very little about the gold-fields of Western Australia, assert that they are evanescent, and likely soon to disappear from the map, the outlook for the western State is not encouraging. But I can only say that if there be a permanent gold-field in Australia, we believe it to be that of Kalgoorlie. I forget for the moment the depth of the Boulder mine—

Mr. FRAZER.—Two thousand feet.

Mr. McCAY.—Bendigo has been going to disappear for the last forty years.

Mr. MAHON.—The same dismal prognostications have been made in regard to Ballarat, and yet both cities continue to make solid progress. The history of Kalgoorlie will probably be the same. Until recently the developments have all taken place at the southern end of the Golden Mile, but a valuable discovery has now been made at the northern end, where a great many people said that no gold, except that found on the surface by Hannan, existed, and I believe that a very valuable mine is now being opened up. We may regard Kalgoorlie as one of the permanent gold-fields of Australia, and it is therefore the duty of the Department in erecting buildings there to have regard to the ques-

tions of permanence and durability, and to see that the convenience of the staff is studied. There is no doubt that officers called upon to work in iron buildings in that climate cannot satisfactorily perform their duties. Unfortunately, I had the experience of working for several years under such conditions, and I am able to say that the tax which they impose upon one's powers of endurance is extreme. If we expect our public officers to render good service we should provide them with reasonable accommodation. There are one or two other items to which I desire to refer. In the Estimates for 1904-5 a sum of £1,500 was appropriated for the erection of a post-office at Fitzroy—a station in my electorate—but in the Estimates now before us that amount has been reduced to £1,100. I understand that the reason given for the proposed expenditure of this large sum in a remote locality—where the population is scattered, and the revenue from the postal service small—is that there is a repeating station at Fitzroy, and that a number of men employed in maintaining the overland telegraph line are housed there. I would point out to the Minister, however, that it is desirable that he should scrutinize the estimates from time to time submitted to him. When I was administering the Department I discovered that the estimates for this work included the cost of conveying timber from Fremantle, although I subsequently ascertained that there was an ample supply of suitable timber in the neighbourhood.

Sir JOHN FORREST.—Is it not proposed to shift the post-office to the other side of the river?

Mr. MAHON.—That is another matter, in regard to which I desire an explanation. I have had a protest from a station-owner in the vicinity, who contends that the office should not be removed; but, as I have not been in the district, I have not the personal knowledge necessary to enable me to determine whether his protest is justifiable.

Sir JOHN FORREST.—I have been near there, and have no doubt that if the post-office were on the other side it would be more convenient for Derby.

Mr. MAHON.—The Department should be able to furnish a reason for the proposal to change the site.

Sir JOHN FORREST.—That is the reason.

Mr. MAHON.—I have entered my protest on several occasions, but all that I

have been able to ascertain from the Department is that the post-office is to be shifted. With regard to the outcry as to the large sums placed on the Estimates for the purchase of sites in Western Australia, as compared with the proposed votes for similar purposes in other States, honorable members must not forget that Western Australia is but a young State, and that her wants, as a rapidly developing country, annually receiving a large access of population, are necessarily greater than are those of other States. I am pleased to observe that some honorable members have not overlooked this point, but I would impress upon the Committee that any comparison of the expenditure of the Commonwealth in Western Australia, with that in other States, must necessarily be very unfair. I think it will be found that the Department is acting wisely in acquiring, at Fremantle, the site which has received the approval of the municipality and of most of the people.

Sir JOHN FORREST.—Of most of the representatives of the people.

Mr. MAHON.—With the exception of the Chamber of Commerce, I believe that all the representative institutions of Fremantle approve of the site in question. I have nothing to say against the Chamber of Commerce, but I do not think it represents more than a very small minority of the people of Fremantle. The local municipality favored the site which has been selected, and other public bodies have also done so. The site being in the main street, is necessarily a costly one, but I do not agree with the honorable and learned member for Corinella that, just as was the case in some of the other States a few years ago, land values in Western Australia at the present time are probably fictitious. He has overlooked the fact that Victoria was not progressing when its land values were fictitious.

Mr. MCCAY.—It was progressing, but not as rapidly as is Western Australia.

Mr. MAHON.—It was not receiving the accession of population that Western Australia is securing.

Mr. MCCAY.—It was receiving a very fair accession of population.

Mr. MAHON.—I am speaking of the period—I daresay it is the one to which the honorable and learned member referred—from 1888 to 1891, when undoubtedly land was at a fictitious value. I am not going into ancient history to find out the causes, but certainly there was nothing in the condition of Victoria at the time to warrant

the extravagant prices which were paid for land. In Western Australia we had yearly a large number of new colonies and necessarily their demands increased the price of land. The parallel drawn by the honorable and learned member is scarcely fair to Western Australia. I think he will find that, although the price of suburban lands may not be maintained for business purposes will command a very high value in the portions of Perth and Fremantle.

Mr. TUDOR (Yarra).—I was present when the Minister made his statement with regard to the item of £20,000 for the Fremantle Post Office. According to a footnote the total estimated cost of land and building is £20,000; and the expenditure is, I consider, out of proportion to the business likely to be done. In other cases it has been proved that the estimated cost of new buildings is too high. The Minister might look more fully into this case, and see if the estimate could not be brought down considerably.

Mr. GROOM.—I promise to do so.

Mr. TUDOR.—I do not intend to vote against the item, as it is a certain item either next year or later on we shall be asked to vote the balance of it. Last year I protested against the item of charging the expenditure of the works on a *per capita* basis; but I was assured by the late Treasurer that it was adopted on the advice of the Crown officers, and that it could not be got out from.

Sir JOHN FORREST.—It is as long as it is long, because the transferred liabilities will have to be paid for afterwards.

Mr. TUDOR.—It is not; because the estimates have not yet reached that stage. I am objecting to the submission of these estimates, because the representative of the State seems to consider that he has no right to support any proposal to expend public money therein. I am speaking impartially on the subject. I was the first to object to the extension of the General Post Office in Melbourne, and to the item for the erection of a new post-office at Warrnambool. I trust that the Minister will take notice of the estimates for new buildings, and will not go in for new buildings, such as some of us received in the other States. It was quite open to me to see the magnificence of the buildings which had been erected particularly in Queensland. The

says that the *per capita* payment is as broad as it is long; but I think that the States which have not borrowed large sums for the purpose of erecting public buildings will have to pay in the future for the extravagance of those States which have not adopted that policy.

Mr. CAMERON.—It is grossly unfair.

Mr. TUDOR.—It is grossly unfair to the latter, and I trust that the Committee will not sanction the erection of large buildings merely for the purpose of expending large sums of public money.

Mr. POYNTON (Grey). — I wish to enter another protest against the system of charging this expenditure on a *per capita* basis. Of course we are all delighted to hear of the great influx of population to Western Australia. As population means wealth, one would think that the State would be willing to bear the cost of its public buildings. When I interjected about the increase of population in Western Australia, I was twitted that the new colonists had come from South Australia. It is not much consolation to the Government of that State to have to tell the persons who have remained that they must carry on its development for the benefit of those who have left. I am not referring to a particular item on these Estimates. If there is to be a funding of the expenditure, it should be accompanied by a funding of the receipts, so as to establish a system on sound Federal lines. I do not know who introduced this method, but I predict that before long it will be declared to be the most rotten arrangement that has ever been introduced. It must lead in every direction to extravagant expenditure. What advantage is it to the representatives of a State to keep down the expenditure on public works therein if it is to be debited with a proportion of the expenditure on public works in other States? I feel quite confident that eventually Parliament will have to consider the question of pooling the revenue as well as the expenditure. Until that time arrives, however, each State ought to be responsible for the expenditure on public works therein.

Mr. CARPENTER (Fremantle). — In the debate on last year's Budget the question of debiting the cost of public works against the States on a *per capita* basis was discussed. But honorable members did not seem to fully realize what had been done. So far from indorsing the remarks of the honorable member for Grey,

I think that the new system is not likely to make for extravagance. The discussion on these Estimates this morning has furnished direct evidence to the contrary.

Mr. POYNTON.—And not a penny has been saved.

Mr. CARPENTER.—That is a tribute to the economy of the Estimates which have been submitted. So long as each State had to bear the expenditure on public works therein, the representatives of other States were not very much concerned about cutting down the items for a State. If the representatives of a State could induce the Government to place on the Estimates large sums for public works for the State, what did it matter to the representatives of other States how much money was voted? Naturally they said, "As the people of this State will have to bear the expenditure, let the money be voted." Under the new system, however, the representatives of each State are interested in the amounts which are placed on the Estimates for this purpose. I do not think there is any ground to fear that it will lead to additional extravagance. On the contrary, I believe that its tendency will be to cause honorable members to be keener critics of proposed expenditure.

Mr. POYNTON.—It will make honorable members keener to get sums placed on the Estimates for their own electorates.

Mr. CARPENTER.—The honorable and learned member for Corinella has done a service to the Committee in pointing out the misleading character of the footnote, which would lead honorable members to conclude that in addition to the amount set forth, a larger sum was to be expended. It is quite correct, as he pointed out, that the principal portion of the sum named in item 9 will be for the purchase of the Fremantle site. I hardly know whether or not to regret that land values are so high in Fremantle. The buyer always regrets a rise in land values; the seller never. But it has been a matter of regret to me that although this vote was agreed to last year, the efforts made from then until a few days ago to obtain land at a reasonable price did not succeed. That is the reason why the vote has to be submitted to the Committee again. Neither this Government nor its predecessor can be charged with having come to a conclusion hastily. Every offer has been carefully considered, and some which ought to have been more reasonable have had to be rejected. I believe

the Government has chosen a site which will suit the convenience of the great majority of the people of Fremantle, and I trust that no delay will take place in the construction of the work. As to the character of the building, I have never been an advocate of extravagant expenditure, but I do not wish to see ramshackle structures erected in the centre of any large and growing town. I like the buildings owned by the Commonwealth to bear comparison with other buildings. I feel somewhat ashamed if I see an iron structure, pointed out as a Commonwealth building, in a town of importance. When the present Fremantle post-office was built, it was not foreseen, even by the Treasurer, then Premier of Western Australia, that in the near future the town would grow to such an extent as it has done. The expansion has taken place in a direction which was not expected; and what was then the centre of Fremantle, is now practically at one end of the town, and is, indeed, in a somewhat out of the way corner. For some time past it has been necessary to rent a portion of the Town Hall in which to transact some of the postal business, which in consequence has been done in two separate parts of the town. The erection of the new building will enable the Department to bring the two branches together in one centre, and will make for economic working. There is a great rush at the post-office during the short period when the mail-boats are at the wharfs. It is, therefore, necessary to afford every facility so that the people who come to Australia shall not go away with the impression that we cannot provide for the postal business that has to be done. I am glad to find that no objection has been raised to the expenditure of this apparently large sum, because it is recognised by honorable members that the vote is justifiable on account of the growth of a young State, which occupies a position different from that of any other State in the Commonwealth.

Mr. CAMERON (Wilmot).—I judge from what previous speakers have said that much dissatisfaction exists at the proposal to erect a post-office and various other buildings in Western Australia, at the expense of the other States. Speaking for Tasmania, it seems to me to be grossly unfair that a small poor State should be compelled to assist the more prosperous States in reference to expenditure. We have been told that a true Federal spirit is

to prevail, and that we are to share other's burdens. Tasmania has been helping to carry hers. Unless the *capita* basis is to apply to revenue as to expenditure, it is grossly unfair. I have no knowledge as to the necessity of the post-office at Fremantle, and am not prepared to believe that it should be erected. But it should be erected at the expense of Western Australia. I propose to put the feeling of the Committee as to whether the *per capita* basis is to be continued, and moving a reduction of the vote.

Mr. AUSTIN CHAPMAN.—The honorable member will not secure his object by that now; because some honorable member may agree with him as to the principle, but may desire that this vote shall be paid.

Mr. CAMERON.—Then I shall move it at a later stage. I wish to know whether the Federal spirit is to prevail, and whether we are going to share each other's burdens. Whether one or two States are to be added, owing to the fact that the Treasurer of Western Australia is a representative.

Mr. GROOM.—These Estimates were framed by the present Treasurer.

Mr. CAMERON.—I do not know who framed them, but I know that the Treasurer is responsible for them.

Mr. GROOM.—That was not the honorable member's suggestion.

Mr. CAMERON.—If the principle is laid down is that all the States are to share alike in revenue and expenditure, I am quite prepared to accept the principle, but if the idea is that one State shall have advantages for which the other States are to pay, as, for instance, in the case of the sugar bonus, I do not feel inclined to accept it.

Mr. LONSDALE (New England).—I understand that in some cases where it is proposed to build post-offices in Western Australia it is necessary to purchase land, and that this land is being charged at extremely high prices. Care should be taken to obtain land necessary for these purposes at a fair price; but I have heard it whispered that the Government of Western Australia are asking what is beyond the value of the areas which the Commonwealth desire to purchase.

Mr. MAHON.—In some cases the land does not want to sell.

Mr. LONSDALE.—I understand that it is desired to purchase some State land. I realize that the private owner g



he can get, and he is a person with whom it is at times difficult to deal. We should take care, however, that in the case of State lands the Commonwealth is not "got at." The Treasurer, who is one of the representatives for Western Australia, believes in his own State, and the right honorable gentleman doubtless desires to obtain all the advantages he can for the State; and we cannot blame him if he is allowed to do so. But we are here to guard the interests of the States as a whole. It has been pointed out that these Estimates were drawn up by the previous Government; but, for all that, it is quite possible that the influence of the right honorable gentleman was brought to bear. Under our present plan, it is difficult to control expenditure of the kind, and it seems to me that, along with the Estimates, there ought to be supplied the particulars of such matters as we are now discussing, so that honorable members might have before them accurate information of how money was to be spent in, not one, but all of the States, particularly in reference to buildings so far from the centres. The Treasurer smiles when I refer to the whisper about that State Government asking high prices for land; but we know that, so far as the right honorable gentleman is concerned, the other States are not likely to get the best of the argument when the interests of Western Australia are in question. Consequently, when the Treasurer is behind anything of this kind, it makes us suspicious, and causes us to look into the matter in order to ascertain whether everything is just and right.

Mr. CAMERON (Wilmot).—I shall at a later stage move a reduction of a vote by £1, in order to test the feeling of the Committee as to whether in future new works shall be charged to the Commonwealth as a whole on a *per capita* basis, or whether the States in which the buildings are erected shall bear the costs.

Proposed vote agreed to.

#### POSTMASTER-GENERAL'S DEPARTMENT.

Division 4 (*Telegraphs and Telephones*), £169,150.

Mr. BROWN (Canobolas).—There is an item here of £12,000 for the construction and extension of telephone lines, instruments, and material, in New South Wales. This is a work in which the needs of the States have to be considered, but I cannot help drawing the attention of the Com-

mittee to the fact that, whilst in New South Wales the expenditure on this score is £12,000, the amount set down for Victoria is £25,000, for Queensland £15,000, for South Australia £10,000, for Western Australia £17,000, and for Tasmania £3,000. Such large differences require, I think, some explanation. Next to the provision of post-offices, the extension of the telephone system is very important. This is one of the means by which isolated districts are brought into closer contact with the centres of civilization, and are thus enabled to carry on pioneering work with greater advantage. In New South Wales in the past, one of the great difficulties has been to get the Post and Telegraph Department to realize the importance of extending this means of communication. Numbers of little centres have sprung up all over the State, and these have for some time been asking for telephone extension. The requests, however, have been refused on the ground that the time is not opportune, the excuse, amongst others, being given by the Department that the anticipated revenue will not cover the cost. In this connexion there is always this difficulty to contend with: The cost of a proposed telephonic or telegraphic extension is estimated at the maximum, whilst the revenue to be derived from it is estimated at a minimum. The officers of the Department naturally wish to be on the safe side. They do not desire that their estimate of the cost of an extension shall be exceeded, and, on the other hand, they do not wish to supply the Department with an estimate of revenue that is not likely to be realized. Very often the mean, therefore, lies between the two extremes of a high estimate of the cost of construction, and a low estimate of revenue. When an agreement is arrived at, and the Department sees its way to approve of a certain extension, there are often considerable delays in carrying it out, which are attributed to the fact that the Department has no money at its disposal, and must await a vote for the purpose. I believe that the late Administration was largely redeemed from barrenness by the active and up-to-date way in which the late Postmaster-General dealt with these matters. The honorable gentleman had a virgin field for his operations in this direction, as his predecessors were contented to allow matters to run in the old groove, and to consider the difficulties of proposed

extensions without at the same time considering their advantages. As a consequence of that policy there was a very great deal of friction and dissatisfaction throughout New South Wales, but the action of the late Postmaster-General has largely helped to remove it. The honorable gentleman introduced the system of condenser telephones, making use of telegraphic extensions to establish telephonic communication. Before his retirement from office, he approved of a number of centres connected by telegraphic communication being brought under the condenser system of telephonic communication. This approval was given in respect of a number of centres in my own district; but so far nothing has been done to carry out the work. I have had no official explanation of the delay that has occurred, although I have addressed several communications on the subject to the Department. I am unofficially informed that it is due to the fact that the Department has not the necessary instruments and material to carry out this important work, and is awaiting a vote for the purpose. I presume that these instruments and material will be supplied from the vote under consideration at the present time. The present Postmaster-General has a practical knowledge of these matters as they affect New South Wales, and I presume that the condition of things in the other States is similar, and they would be similarly benefited by the adoption of an enlightened policy in this respect. I hope that the honorable gentleman will see that sufficient money is provided to carry on this important work. I do not know that £12,000, the amount proposed to be voted, will be sufficient for the purpose; but if it will not steps should be taken to provide a sufficient amount, so that before the end of the year we may not be met with the objection urged hitherto that there is not enough money available, and necessary work must, in consequence, stand over. I trust that this work will be carried on with the energy which was displayed by the late Postmaster-General, and that the useful policy that honorable gentleman inaugurated in this respect will be carried to completion.

Mr. AUSTIN CHAPMAN (Eden-Monaro—Postmaster-General).—In answer to the honorable member, I may say that it is the intention of the present Government to pursue in this matter the policy laid down by my predecessor, and to afford every facility for the extension of the telephonic system in country districts. I shall

give attention to the question which honorable member has brought under consideration, and endeavour, as far as possible, to carry out his wishes.

Mr. LONSDALE.—We should like an explanation of the difference between the amounts set down for Victoria and those of the other States.

Mr. AUSTIN CHAPMAN.—I am accounted for by the fact that the vote set down for Victoria covers other services, including the grounding of wires, which is dealt with by a separate vote in New South Wales. There is a proposed vote of £25,000 for this work in New South Wales, the same expenditure is included in the vote of £25,000 set down for Victoria. Honorable members will find, in the year's Estimates, that the Department has the money right through the year for the purpose, and I am assured by the Postmaster-General that he is responsible for the vote that sufficient provision is made for this year. If more is required, the Government will have the courage to do any necessary vote afterwards ask Parliament to increase the expenditure.

Mr. LIDDELL (Hunter).—In connexion with the extension of the telephonic system, a matter has been brought to my notice by a number of publicans in my electorate, and I believe they are occupied the attention of progressive townships and borough councils in other States. It is considered very desirable to reduce the cost of telephones in suburban and country districts should be reduced. Subscribers in country towns are called to pay £8 a year for a business telephonic system, and £5 a year for a private telephonic system. The same charges are made in the large towns where subscribers have the advantage of being able to communicate with a large number of other subscribers. In Maitland, for example, a telephonic subscriber is able to communicate with some sixty other subscribers, a somewhat of a hardship that the telephonic subscribers in country towns should pay exactly the same fees as subscribers in the larger cities, who are given a better service for more for their money. If the charges are reduced, the use of the telephonic system will become very much more popular in smaller centres, and the service will be better than it does at present. Honorable members are aware that, in connexion with the management of the telephonic system, where the fares have

the traffic has been much an doubled, and the total returns en greater. I am pleased to find e present Postmaster-General ap- be following in the footsteps of his sor, and to be particularly anxious tate the work of his Department. I en informed that it has been the of the Department to supply coun- scribers with inferior telephones; en a subscriber is connected with the metropolitan exchanges, an instrument, which can be used e hand, is supplied, but that ers to the country exchanges o put up with inferior instru- requiring the use of two hands; the people of Newcastle have to with the discarded steam trams ere once used in Sydney. I have er subject to refer to. In my elec- here is a permanent coal-mining known as Kurri Kurri, which has ation of 2,100, and is yet without arrier or a satisfactory post-office. ently, there is a considerable con- in front of the building every morn- n those who are expecting letters them. I see no reason why a rrier should not be appointed.

BROWN (Canobolas). — I agree e honorable member for Hunter that e fair that the large business place telephone is in use practically the day should pay only at the same the small trader in a country town, at the charge to subscribers to a exchange should not be as great as rge to subscribers to whom thou- f connexions are possible. I sug- the Minister that a considerable n in the telephone fees for country es would greatly popularize the e in country districts. Within rears a number of country towns have lephone exchanges installed, and individuals living 20 or 30 outside the town have in some in- been connected with the town ex-

This practice would, I think, if the heavy fees charged for such ns were not so big a handicap. present time the town of Parkes, is a very considerable business n my electorate, is considering the ility of having a telephone exchange d. There are a number of would- scribers in the town itself, but squat- rmers, and others living at a dis-

tance would also be glad to be connected with the exchange, so that they could communicate easily with business men and others in the town, if it were not for the very high rates which the Department charges for such services. Some difference should be made between the city rates and the rates charged to small country centres where the business done is nothing like so large. If, say, £5 per annum were charged, I think that exchanges would be established in a large number of country towns, and if outside subscribers are encouraged, I think the revenue from telephones will considerably increase.

Mr. JOHNSON (Lang).—I desire to support the contention of the honorable member for Canobolas. He referred more particularly to country exchanges, but I have in my mind the need for giving better facilities to thickly-populated districts just beyond the metropolitan radius, for which, where telephone bureaux are established, the call rate is 6d. It often happens that the person going to a bureau can get no response to his call, so that the money is lost, and most people are apt to think twice before risking a coin in that way. Of course, there are some whose means are sufficient to make them superior to such considerations, but the districts which I have in my mind are populated mostly by persons of small means, who ought to have telephonic facilities at a cheaper rate than that at which they now enjoy them. I hope that the Postmaster-General will inquire whether effect cannot be given to the motion passed last session in favour of altering the regulations, with a view to cheapening telephonic communication.

Mr. TUDOR (Yarra).—I agree with the honorable member for Lang that there should be some alteration in the rates; but I think that it should be by the adoption of the toll rate or flat system. According to those who have made a study of this question, the toll system is finding most favour in other parts of the world. I desire the Minister to furnish some information with regard to the £30,000 proposed to be spent on the construction of a trunk telephone line between Sydney and Melbourne. I notice that the sum of £19,000 is debited to New South Wales, and that the Victorian share of the expenditure amounts to £11,000. Then I see that another sum of £4,000, which is debited to New South Wales, is to be devoted to

work in connexion with the erection of trunk lines between Sydney and Melbourne. I should like to know whether the line is likely to pay, and whether an estimate has been made of the loss that will accrue to the Telegraph Department owing to the installation of the telephone system between the two capitals. Our object should be to make our Departments self-supporting, and at the same time to keep them up to date. I am quite aware that the telephone is largely superseding the telegraph, but we should proceed cautiously in constructing lines which would upset our present arrangements, and some definite information should be afforded on the subject. We know that if the proposed trunk line is constructed, we shall probably have to consider proposals for the provision of similar facilities between Melbourne and Adelaide, and possibly between Sydney and Brisbane, and we should keep these possibilities in view.

Mr. WEBSTER (Gwydir).—I desire to impress upon the Postmaster-General the importance of doing everything he possibly can to extend telephone facilities to residents in the more remote country towns. I heartily congratulate the late Postmaster-General on the energy he displayed in extending these services, the value of which his experience enables him to highly appreciate. I do not wish to commend the honorable member for Macquarie at the expense of other administrators of the Post and Telegraph Department, but, even though his predecessors may have paved the way to some extent for what was accomplished by him, we should not withhold our approval of his action. Although much has been done in the direction I have indicated, still more remains to be accomplished, and I think the aim of the Postmaster-General should be to extend to residents in the country districts the same conveniences that are enjoyed by inhabitants of the larger and more important centres of population. At present it seems to be the rule of the Department not to construct telephone lines unless the officials are assured that they will prove payable from the outset. But I think that in a country like this it is desirable that we should strain a point in favour of those who are settled on the land, whom it should be our desire to assist in every possible way. In many cases the Post and Telegraph officials have held the view that certain lines would not pay, but the results have proved much more satisfactory than they anticipated. I am sure that I need not impress upon the Post-

master-General the necessity of continuing the good work performed by his predecessor, and I confidently leave the matter in his hands.

Mr. CULPIN (Brisbane).—I should like the Postmaster-General to give us some explanation with regard to the item of £1,000 towards the purchase of telephone lines held by subscribers under the purchase system, as a vote for this purpose is only required for New South Wales. I think that the Minister should explain why this expenditure is proposed to be incurred.

Mr. AUSTIN CHAPMAN (Eden-Monaro—Postmaster-General).—With regard to the question of telephone rates, I desire to inform honorable members that regulations are now being framed, under which it is intended to reduce the cost of the telephone service in connexion with some of the smaller lines. Later on I hope to be able to submit a general scheme of uniform rates for each State. At present the rates are much higher in some States than in others, and we hope to be able to bring about conditions which will at least make some closer approach to uniformity. We intend to reduce the cost of the telephone service as far as possible, particularly in the case of the smaller centres.

Mr. WEBSTER.—Has the Minister decided to adopt call rates?

Mr. AUSTIN CHAPMAN.—I think honorable members had better wait until the regulations are completed. With regard to the matter mentioned by the honorable member for Yarra, my predecessor inquired very carefully into the proposal for the construction of the trunk telephone line between Melbourne and Sydney, and I hold in my hand a long report on the subject, the concluding paragraph of which reads as follows:—

Estimates have been obtained which indicated, in the opinion of the late Postmaster-General, that the revenue that would be derived from conversations over the line would, at the outset, exceed 10 per cent. on the cost of construction. It was also pointed out that the copper wires which would be used for the line would, if required, be available for telegraphic purposes.

Mr. MAHON.—By whom were the estimates prepared?

Mr. AUSTIN CHAPMAN.—By the responsible officers of the Department. It is proposed to charge 6s. for the use of the line for three minutes.

Mr. DAVID THOMSON.—Can the Minister tell us what loss is likely to be incurred so far as the telegraph lines are concerned?

Mr. AUSTIN CHAPMAN.—I cannot give any specific information on that point at present. As a rule, however, the estimates of revenue furnished by the officials are found to be rather below than above the actual result, particularly in connexion with telephone services. A large amount of quite unexpected business generally has to be provided for, because persons who avail themselves of the service and appreciate its benefits relate their experiences to their friends, who are induced to also avail themselves of the opportunities offered.

Mr. MAHON.—For how long does the Minister suppose that he will be able to charge the rate of 6s. for three minutes' use of the telephone line between Melbourne and Sydney?

Mr. AUSTIN CHAPMAN.—That is a matter for the experts to determine; but I think business men would only be too ready to pay that charge at the present time. I should not be at all surprised if the revenue derived from this source proves to be in excess of the estimate. In the matter of the use of old telephone instruments in New South Wales, I desire to say that that State does not suffer so much hardship as do some of the other States. We are endeavouring to provide better instruments as opportunity offers. That is to say, as we obtain better instruments we are substituting them for the old ones. The honorable member for Gwydir has referred to the refusal of the Post and Telegraph authorities to construct telephone lines in localities where they will not pay. In this connexion it must be recollected that the Department is supposed to be worked upon commercial lines. If our officers report not only that a line will not pay, but that it is never likely to pay, we have to proceed with extreme caution. At the same time, I admit that, in order to convenience the public, we should be prepared to take certain risks, particularly in the outlying portions of the country, because, as settlement progresses, we are bound to obtain an increased revenue. As regards the question of providing a letter-carrier at Kurri Kurri, I merely wish to remark that that is a new township, and the honorable member for Hunter may rest assured that his representations will receive every consideration. As the sum of £30,000 or £40,000 has already been advanced by the Treasurer to enable certain of these works to be proceeded with I am very anxious that the Committee should pass the Estimates relating to them

this afternoon. When the Estimates in chief are under consideration I shall be glad to supply honorable members with any further information which they may desire.

Mr. PAGE.—Surely the trunk telephone line between Melbourne and Sydney has not yet been started?

Mr. AUSTIN CHAPMAN.—No.

Mr. KENNEDY (Moira).—I have no desire to delay the Committee in coming to a decision on these Estimates. The Postmaster-General has declared that the Department must exercise caution in sanctioning the construction of lines which are not likely to prove immediately remunerative. I should like to know whether that caution on the part of the authorities is carried to the extreme of refusing to answer letters which are addressed to them on these subjects, because that has been the experience in some instances. As far as I am concerned—apart from the proposed expenditure on the trunk telephone line between Melbourne and Sydney—these Estimates contain nothing of a controversial character. On that question, however, I propose to divide the Committee, and therefore I suggest to the Postmaster-General that the consideration of that item should be postponed. I also desire to ascertain whether we are committed to any expenditure in connexion with the proposed trunk line to which I have referred.

Mr. SYDNEY SMITH (Macquarie).—As Postmaster-General in the late Government, I accept responsibility for having recommended the construction of the proposed telephone line between Melbourne and Sydney.

Mr. PAGE.—The honorable member has no responsibility, save as a private member of the House.

Mr. SYDNEY SMITH.—But in my capacity as Postmaster-General I had an opportunity of looking into this matter very carefully.

Mr. AUSTIN CHAPMAN.—I am prepared to postpone the consideration of the item in question.

Mr. WILKINSON (Moreton).—I wish to know whether the proposed expenditure for the construction of new telephone lines will be limited to those which are specifically determined upon now?

Mr. AUSTIN CHAPMAN.—Certainly not.

Mr. WILKINSON.—Will there be any reserve fund out of which lines that may be asked for during the current year can be constructed?

Mr. AUSTIN CHAPMAN.—Certainly.

Mr. WILKINSON.—I think it would be well if the large sum of money proposed to be expended on the trunk telephone line between Melbourne and Sydney were devoted to the extension of postal conveniences to country districts. I agree with the honorable member for Gwydir that if we wish to encourage the settlement of people on the land we must make the conveniences of civilization as accessible to them as possible. In order to accomplish that end we should be prepared to make some sacrifices. Even if certain telephone lines do not immediately return interest on their capital cost in addition to working expenses, I do not think that the loss so incurred represents a waste of public money.

Mr. AUSTIN CHAPMAN (Eden-Monaro—Postmaster-General).—In answer to the observations of the honorable member for Brisbane, I would point out that, under the old system which obtains in New South Wales, some people own their own telephone instruments. These we are gradually purchasing. In reply to the honorable member for Moira, I wish to say that no expenditure has been incurred in connexion with the trunk telephone line to which he alluded.

Mr. TUDOR (Yarra).—In connexion with the construction and extension of telephone lines, instruments, and material, I wish to know why—although only £20,000 was appropriated for that purpose last year—the sum of £22,459 was expended?

Mr. AUSTIN CHAPMAN (Eden-Monaro—Postmaster-General).—The expenditure under this head for the year 1904-5 was £22,459, or £2,459 in excess of the appropriation. The amount now provided, £25,000, will be required to permit of necessary extensions of the telephone system; the establishment of new telephone exchanges, the purchase of Ericsson instruments, cable, &c., and also to cover the cost of labour, cartage, and requisite material. I presume that the other expenditure was carried out by way of transfer.

Mr. TUDOR (Yarra).—I think that the system under which more money is spent than is actually appropriated for a specific purpose is a bad one.

Mr. CROUCH.—It happens constantly.

Mr. TUDOR.—There are only three or four items in these Estimates in which that course has been followed.

Mr. McCAY.—The honorable member will find scores of instances in the Estimates.

Mr. TUDOR.—I am prepared to let the item to pass on the understanding that no money will be expended that has actually been passed for payment.

Mr. BAMFORD (Herbert).—I would like to obtain some information from the Postmaster-General in reference to the estimates relating to the construction and extension of telegraph lines. There are two lines in my electorate to which I am particularly interested. Application has been made on several occasions for the construction of one of these—a line from the Hills to Irvinebank—in which a telegraph company is particularly interested. I believe that on more than one occasion the company has proffered to pay a proportion of the expense of erecting the line, which would extend over a distance of 15 miles, but that for some reason the Department has failed to proceed with it. Judging by a communication I have received the work has been under consideration for some time, and I am anxious to have some explanation of the reason for the delay. The other line to which I desire to refer is a line between Herberton and Atherton, a distance of about 12 miles, and which would connect two fairly large and important centres—the one being an agricultural district, the other a mining district. I am very pleased to hear what the Postmaster-General has to say in regard to these lines.

Mr. AUSTIN CHAPMAN (Eden-Monaro—Postmaster-General).—The reports so far received have not been favorable to the construction of these lines in question; but further negotiations having been made, the Postmaster-General at Brisbane has been requested to furnish an additional report. If that report be favorable, the Department will have the funds to construct the lines; but until such a report is received I cannot say that the work will be carried out. I promise the honorable member that I shall look into the matter, and report on it in the light of the fresh information we are seeking to obtain.

Mr. MAHON (Coolgardie).—The division 4 includes the item—

Additional plant required for printing stamps, postal notes, and money orders (revote), £1,302.

amount was voted last year, and I like to know what is to be done, Adelaide office is very well equipped, conducted on economical lines. I stand that it is intended to give the committee another opportunity to discuss matter, but I think it would be well to leave the whole subdivision.

AUSTIN CHAPMAN (Eden-Mo—Postmaster-General).—I trust that honorable member will not press his proposal. The honorable member for South Australia has asked for an opportunity to make a proposal to omit this item, and I promised that it shall be afforded at a later stage. I shall then be able to leave the honorable member for Coolgardie the information that he desires.

CULPIN (Brisbane).—This item seems to involve the transfer to South Australia of certain work now being carried on in Brisbane. Apparently, the intention is to print postage stamps required for Queensland henceforth be printed in Adelaide, and I fail to see why we should allow this item to pass without offering a strong protest. I hope that the subdivision will be postponed.

AUSTIN CHAPMAN (Eden-Mo—Postmaster-General).—This item, inasmuch as it does the printing of postage stamps, has given rise to a good deal of discussion, and honorable members have asked to be supplied with further information as to the intention of the Department. This will be another opportunity to discuss the proposal, and honorable members will be afforded the fullest information on the subject. The printing of stamps is now being carried on in several printing offices, but the work is to be consolidated. The printing of stamps is very similar to the printing of bank notes, and needs to be carefully supervised. At present we have only one Commonwealth printing establishment, and that is in South Australia.

In all the other States our printing is carried out by the Government Printing Offices of those States. I ask honorable members, in the light of this explanation and in view of the promise I have made, not to oppose the passing of the subdivision.

PAGE (Maranoa).—In view of the explanation given by the Minister I shall not oppose the passing of the subdivision, although it certainly relates to a matter of great importance to the States of

Queensland, Victoria, and New South Wales, which have their own printing establishments, and print their own stamps. Tasmania and Western Australia have had their stamps printed in the other States; but if the proposition is that all stamps required for the Commonwealth shall be printed in South Australia, I shall have something to say with regard to it.

Mr. SYDNEY SMITH (Macquarie).—The proposal is that all our stamps shall be printed in the one State. Honorable members must realize that the Commonwealth derives a very large revenue from the sale of stamps, and that it is necessary that we should exercise great care to prevent any improper manipulation or forgery in connexion with the work of printing them. At the right time, I shall be very pleased to give further information on this subject.

Mr. MAHON (Coolgardie).—I think, on further consideration, that as we have now reached the usual adjournment hour, and honorable members desire to get away, it would be well to postpone subdivision 5, for it involves large questions of policy. The failure of the Department to realize the conditions of isolated settlements in Australia requires exhaustive consideration at the hands of the Committee. A good deal has been said to-day and on other occasions about the wonderful improvements in telephoning which have been made by the introduction of the condenser system. What I contend is that the real needs of Australia, especially of its remoter portions, have not been improved by anything which has yet been done. Wherever a telephone has been established under the condenser system, there was previously a telegraph office. But the position I have to present to the Committee is that Government after Government have made no real attempt to meet the necessities of the outlying and pioneering settlements. I would ask the Postmaster-General not to press this subdivision until we have an opportunity of discussing the policy of the Government, and especially the remarks he made to-day as to his individual willingness to extend telephones and telegraphs in advance of the revenue-earning possibilities of the lines. If the Government are prepared to adopt that view, I shall have no more to say on the subject; but I have heard only the Postmaster-General express his opinion, and I am not too sure that his colleagues agree with him. However, that is a matter



for settlement amongst themselves. Up to the present moment, the Department, as well as the Postmaster-General, has carried out a totally different policy. I represent a district which contains a great many of these remote settlements, and in which a line over a vast distance necessarily cannot pay. My complaint is that the Postmaster-General states one thing here, and that when I write to the Department I get a totally different answer. It is only fair, however, to say that every Postmaster-General has carried out this policy.

Mr. PAGE.—Why did not the honorable member fix up these things when he was in office?

Mr. MAHON.—I could not, as I shall explain to my honorable friend.

Mr. AUSTIN CHAPMAN.—If the honorable member intends to discuss this question at any length, we are willing to postpone the subdivision.

Mr. MAHON.—Very well.

Mr. AUSTIN CHAPMAN (Eden-Monaro—Postmaster-General). — As the honorable member for Coolgardie desires to discuss several items which are included in this subdivision, I think it might be postponed, and the subdivision relating to Tasmania taken. So that there may be no misunderstanding as to what I said to-day, I wish to make an explanation. If an application be made for the expenditure of several thousand pounds on the erection of a telegraph line, and the revenue is estimated to amount to £100 or £200, I do not suggest for a moment that we ought to seriously consider such a proposal. But where the estimated revenue approaches nearly to the amount prescribed, and the line will serve a sparsely populated district, from which, by giving the people more conveniences, an increase of revenue may be derived, we ought not to adhere too closely to a hard-and-fast rule, and say that because the revenue is a few pounds less than the amount fixed, the service cannot be given, and the people must wait until they can absolutely prove that a line would pay. However, we are willing to postpone this subdivision.

The CHAIRMAN.—Last year, in order to prevent any complications from arising, the practice was laid down that in such a case the subdivision would be taken as not having been moved.

Proposed vote agreed to, with the exception of items 1 and 7 of subdivision 1,

and item 3 of subdivision 2, postponed; and subdivision 5 not moved.

Progress reported.

## ORDER OF BUSINESS.

Mr. JOSEPH COOK (Parramatta).—I rise to make an appeal to the Prime Minister to adjourn now, and not to proceed with the second reading of the Representation Bill. The reason why I ask for an adjournment is because that measure deals with a very important question.

Mr. DEAKIN.—That is why I wish to have the Bill launched.

Mr. JOSEPH COOK.—Because of its importance, I think that its second reading ought not to be moved until next week. Saturday is always a bad day to get the report of a speech in the press, and there will be no *Hansard* report of the Minister's speech available for a week.

Mr. DEAKIN.—I thought of that, and I intend to ask the chief of the *Hansard* staff to arrange for honorable members to be supplied with proof slips on Monday or Tuesday. The second reading of the Bill is to be moved to-day simply to save time, because some honorable members wish to discuss its provisions next week.

Mr. JOSEPH COOK.—I do not think it will save time. I believe it would save time if the second reading of the Bill were moved when honorable members were present, and had an opportunity to elicit all the facts.

Mr. DEAKIN.—Proof slips will be available for honorable members.

Mr. JOSEPH COOK.—I think that the adoption of this course will lengthen, and not shorten, the debate.

## REPRESENTATION BILL.

### SECOND READING.

Mr. GROOM (Darling Downs—Minister of Home Affairs).—I move—

That the Bill be now read a second time.

This is one of those machinery Bills which rise superior to party considerations. It is introduced to complete the machinery of the Constitution relating to representation, by making provision for a definite decision as regards the periods at which the determination of the number of members for each State shall be fixed. Last session this ques-



accidentally came up for consideration before a Select Committee of this House sat on electoral representation, and consisted of Mr. Batchelor, Mr. [unclear], Mr. Fowler, Mr. Groom, Mr. Sir William Lyne, Mr. Mauger, Mr. [unclear], Mr. McDonald, Mr. McLean, Mr. [unclear], Mr. Sydney Smith, Mr. Storrer, [unclear] Brown. I propose to quote only a paragraph from the report—

"Returns of the population of the Commonwealth, upon which the determination of the number of members of the House of Representatives was made, have been questioned. Your Committee recommend that in future it should be certain that a uniform system for the determination of the population be adopted by all the States. In the absence of a definite rule under section 24 of the Constitution, your Committee are of opinion that it should, at an early date, take into consideration the question of fixing periods for the determination of the number of representatives in the several States.

In your report, in which they were unanimously recognised that there was a great deal of dissatisfaction with the existing condition of affairs, and therefore it was desirable that the question should, at the earliest opportunity, be brought under consideration the advisability of introducing some clear and definite rules, superior to any party considerations, might arise, the very important question of the representation of the people might be dealt with. I think all members will agree with me when I say that the question of the representation of the States is of the greatest possible importance. It is important to the States at any time be concerned, because it may mean a subtraction from, or an addition to, the number of their representatives. It is important to the House, because it may involve the removal of a representative from one geographical area to another. It is most necessary, therefore, that we should lay down, on clear, definite, and non-party lines, the principles which should underlie the regulation and determination of the number of representatives of each State. I ask honorable members to consider three propositions. The first is—What are the provisions of the Constitution dealing with the subject? The second is—What are the defects arising from the existing conditions? And the third is—What remedies do we propose for those defects? Those are the points with which I propose to deal. In the first place, the law is to be found in

section 24 of the Constitution, which reads as follows:—

"The House of Representatives shall be composed of members directly chosen by the people of the Commonwealth, and the number of such members shall be, as nearly as practicable, twice the number of the senators.

"The number of members chosen in the several States shall be in proportion to the respective numbers of their people, and shall, until the Parliament otherwise provides, be determined whenever necessary, in the following manner:—

1. A quota shall be ascertained by dividing the number of the people of the Commonwealth, as shown by the latest statistics of the Commonwealth, by twice the number of the senators.

2. The number of members to be chosen in each State shall be determined by dividing the number of the people of the State, as shown by the latest statistics of the Commonwealth, by the quota; and if on such division there is a remainder greater than one-half of the quota, one more member shall be chosen in the State.

The fundamental principle underlying that section is that the number of members chosen in the several States shall be in proportion to the existing number of the people. The number of the people in the various States is to be regarded as the determining factor. When we come to deal with a measure of this sort, that must be recognised as a principle from which we cannot deviate. No matter what legislation we introduce, we must regard that as one of the fundamental principles of the Constitution; and it will be seen, when the clauses of this Bill are studied, that due regard has been given to it.

Mr. CROUCH.—How frequently is that principle to be applied?

Mr. GROOM.—I will explain that at a later stage. The section of the Constitution is vague and unsatisfactory. I will indicate what I consider to be the defects of the existing state of affairs. The section provides that—

"The number of members chosen in the several States shall be . . . determined whenever necessary.

That is the language of the Constitution—"whenever necessary." We cannot gather from the wording of the section any underlying principle to guide the House as to what is and what is not to be regarded as being "necessary." There is nothing in the section to suggest any specific time, or any specific set of circumstances, or any specific set of facts. That point is left vague, undefined, and uncertain. It is unsatisfactory for this reason—that if we take the section in the strict

sense, "whenever necessary" may be taken to mean "whenever, by returns which have been sent in either quarterly or annually, it appears that the allocation of representation is out of proportion to the population." It may mean, if construed very strictly, that the matter is to be determined every year, or perhaps every half-year. Taken in its strictest sense, it would seem to indicate—or, at least, this could be argued—that, whenever it is shown to be necessary, in the very beginning of the year, or in the middle of the year, or at the end of the year, Parliament should pass such a law as would alter the electorates of the States; that, as circumstances fluctuate from time to time, there should be a redistribution of seats, and the whole existing proportions of representation altered. I contend that that would be a highly unsatisfactory thing to continue. The next point is this: The section says that—

The number of members chosen . . . shall, until the Parliament otherwise provides, be determined whenever necessary in the following manner.

A further difficulty has arisen around those words as to who is to determine. Is it the Executive of the day, or Parliament itself? The view which I do strongly urge—although I hope to lay down a course of procedure which will not render it necessary to argue the point—is that it is Parliament that has this supreme right, that it was intended that Parliament should be the judge, and determine the matter when necessary. It was never intended, in my view, to leave it to the Executive of the day, of its own motion, to declare when it should and when it should not be regarded as necessary. In *Quick and Garrahan*, page 454, the learned authors seem to hold a similar opinion. They say—

Parliamentary authority, however, would appear to be required for two purposes:—(1) to provide for the preparation of the latest statistics, and to identify those statistics by law; and (2) to declare when reapportionment is "necessary." As the statistics are at the root of the representative system, it is important that they should be clearly recognised and identified by Act of Parliament; and even when that has been done, it will be most undesirable that the Executive should be left to decide for itself whether reapportionments were necessary.

In those words the authors lay it down that it is for Parliament to decide the status of the statistics, and to define that by act of law; and consequently it is for Parliament to declare when a reapportionment of members is necessary.

*Mr. Groom.*

*Mr. CROUCH.*—Has not the Executive already declared by proclamation in the *Gazette*?

*Mr. GROOM.*—The Executive has by an Executive act declared certain statistics to be the latest statistics of the Commonwealth; but my contention is that we should lay down in this Bill definite and settled principles, which will put upon a clear, sound, and legal footing the representation of the States, so that the process of distribution may proceed without question and without cavil. The matter is of such vital importance, striking, as it does, at the very foundation of the representative system, that it should be put upon a clear, sound, and definite basis, so as to be beyond all dispute.

*Mr. McDONALD.*—The same consideration applies to compiling the electoral rolls.

*Mr. GROOM.*—I quite agree that that also should be on a sound basis. The existing condition is highly unsatisfactory, because it is uncertain when a redistribution should take place. It leaves Parliament in a very unsettled state, because it does not know how long the particular unit which constitutes an electorate is to continue. It is highly unsatisfactory to the Executive of the day, because, whatever party may be in power, it is subject to the charge of gerrymandering. The suggestion is made either that this party is doing something with the intention of depriving a certain State of its representation, or that another party is doing something which will have the effect of adding a member to another State. The method is unsatisfactory to the House, because honorable members are constantly confronted with the fact that it may be necessary, from the statistics furnished, to have a redistribution. And yet agitations may be started and the Executive asked to postpone the doing of what should be done as a matter of right to some individual States. As I pointed out, this method is highly unsatisfactory to the Executive who happen to be intrusted at the particular period with the charge of public affairs. A recognition of those facts should lead us to take definite action, in order to put the whole business on a sound and stable footing. I hope honorable members will accept my statement that I do not, in any way, desire to introduce any party element into the debate, but rather to deal with the subject purely from the view of general principles; so that.

on what is a most important subject, we may calmly deliberate free from the colour of our particular party opinions or actions. What is the remedy proposed in order to deal with this state of affairs? Naturally the suggestion is that that which is uncertain shall be made certain; that that which is undefined shall be made clear and defined; that a matter which leads to friction and to Inter-State jealousies and disturbances, shall be placed in an atmosphere where friction and jealousy cannot arise; and that we shall lay down clear, definite, and decided rules by which the representation of the States may be determined. With those objects in view this measure is submitted to the House. In order that honorable members may see that we are not altogether departing from the beaten path of precedent, I may refer them to the Constitution of the United States, article 1, section 2, clause 3, in which it is laid down that—

Representatives and direct taxes shall be apportioned among the several States which may be included within the Union, according to their respective numbers, which shall be determined by adding to the whole number of free persons, including those bound to service for a term of years, and excluding Indians not taxed, three-fifths of all other persons. The actual enumeration shall be made within three years after the first meeting of the Congress of the United States, and within every subsequent term of ten years, in such manner as they shall by law direct.

Mr. CROUCH.—In the Bill the period is made every five years.

Mr. GROOM.—Yes.

Mr. CROUCH.—That is a departure from the procedure of all civilized nations

Mr. GROOM. — I shall explain that point presently. The principle, under the United States Constitution, is to have a decennial enumeration, and to act on that enumeration.

Mr. HARPER.—Would not a decennial enumeration do here?

Mr. GROOM.—If the honorable member will permit me, I shall deal with that point when explaining the clauses of the Bill. In Canada, under section 37 of the British North American Act 1867, the provision is—

The House of Commons shall, subject to the provisions of this Act, consist of 181 members, of whom eighty-two shall be elected for Ontario, sixty-five for Quebec, nineteen for Nova Scotia, and fifteen for New Brunswick.

The provision goes on—

On the completion of the census in the year 1871, and of each subsequent decennial census,

the representation of the four Provinces shall be readjusted by such authority, in such manner, and from such time, as the Parliament of Canada from time to time provides.

This is subject to certain rules, which I need not read. In Canada the practice appears to be that at some time after a census has been taken in accordance with the principle of the Constitution, a Redistribution Bill shall be passed by the House itself; and so recently as 1903 such a Bill was passed. In New Zealand the electorates are divided by the Commissioners on the principle of having an enumeration, and, after that, a redistribution. In that Colony an enumeration is made as often as there is a census taken, and, I understand, this is done on a quinquennial basis, so that every five years there may be a redistribution. Such are the different methods in which this problem has been solved in other political communities which correspond to our own. In the original draft of the Commonwealth Constitution Bill, made for the Convention of 1891, it was provided—

A fresh apportionment of representatives to the States shall be made after each census of the people of the Commonwealth, which shall be taken at intervals not longer than ten years. But a fresh apportionment shall not take effect until the then next general election.

The Convention, for some reason of its own, saw fit to reject that provision, and the matter was dealt with in the vague and uncertain terms which appear in the existing Constitution. The Bill now before honorable members sets out the method by which it is proposed to put the representation of the States upon a clearer and better footing. The underlying principle is that it shall be necessary to ascertain the number of the people in each State at certain defined periods which are fixed, that is, not every ten years, but every five years.

Mr. HARPER.—Are we going to have a five years' census?

Mr. GROOM.—I shall explain that point. The idea is that we shall not at the present time have a quinquennial census, but if a quinquennial census is made, then the proportions for representation will be determined by the census at each period of five years. If, however, there be a decennial census, then every day on which the census is taken shall be held to be an enumeration day, and the result of that enumeration, taken under the census, shall

be the basis of the determining the proportion of representation.

Mr. JOHNSON.—Would that not entail a redistribution before a general election, if Parliament ran out full period?

Mr. GROOM.—The Bill provides that if Parliament be sitting, and a census be taken during its currency, then at the next succeeding general election effect shall be given to the census, if it be possible and practicable to carry out a redistribution in the meantime. One set of enumeration days are the census days, and in the intervening periods it is proposed that there shall be a determination of the population on the principles which are laid down in the schedule to the Bill itself. Clause 4 provides that on an enumeration day which is not a census day, the enumeration shall be in accordance with the schedule, and the schedule lays down certain rules which are to be observed. In the first place a starting point is made from the last census returns. Say, for instance, that a census is taken in the year 1911, and an enumeration has to be made in 1916; in that case regard is paid to the census taken in the year 1911. In the meantime, of course, there may be increases or decreases of population, and those increases or decreases are to be added to the census returns after having been determined by the following methods set out in the schedule:—In the first place the returns of the births and deaths are to be considered, and in the second place the arrivals and departures both by sea and land are to be taken into account. Then, in order to provide for inaccuracies, certain percentages are allowed for unrecorded arrivals and departures by land and sea. Those percentages have been worked out by the statisticians of the various States, and are for the time being embodied in this Bill. That, shortly, is the principle on which it is proposed to determine these matters.

Mr. CROUCH.—Is all this machinery necessary simply because it is proposed to have an enumeration every five years instead of accepting the figures of the decennial census?

Mr. GROOM.—Schedule B, to which I have referred, is necessary because there is not a census every five years, and we must in a measure of this kind lay down some definite rules of universal application.

Mr. FISHER.—And the more exact they are the better it will be.

Mr. GROOM.—They are laid down here exactly, and if it is found necessary at any time to modify these principles, provision is made that the alterations made shall be set out in regulations which must be submitted to Parliament, so that Parliament shall know what is being done.

Mr. KENNEDY.—What is the rule to be followed in regard to increases or decreases which are approximations, and cannot be stated exactly?

Mr. GROOM.—As regards unrecorded passages by sea, certain rules with respect to them are provided for. I refer honorable members to the report of the Statistician's Conference, which was held in Melbourne in 1903. They worked out a certain number of percentages based absolutely on census returns and records of departures by land and by sea, and these have been adopted.

Mr. KENNEDY.—When a census has been taken in the past, the result has been to prove such estimates to be incorrect.

Mr. GROOM.—When estimates have been made in the past there has not, until lately, been uniformity in the method adopted throughout the different States. The rules laid down in the schedule to this Bill have been agreed to by the statisticians of the States as embodying the principles which should guide them in estimating population during periods intervening between one census and another.

Mr. HARPER.—Is there any other country in which a five years' enumeration has been adopted?

Mr. GROOM.—In New Zealand a five years' period is adopted for electoral purposes.

Mr. McDONALD.—We adopted a five years' period in Queensland for many years.

Mr. GROOM.—Yes, in Queensland there was for a considerable time a quinquennial census.

Mr. HARPER.—Were they for electoral purposes?

Mr. McDONALD.—No; in order to ascertain the increase of population.

Mr. GROOM.—The reason for fixing a five years' period is that it is recognised that in a country like Australia a State may at any time receive a large increase of population from various causes.

Mr. CROUCH.—That applies even more forcibly to Canada.

Mr. GROOM.—Exactly. But, so far as Australia is concerned, the idea underlying the adoption of the five years' period in this Bill is to keep Parliament in touch with the masses of the people.

Mr. HARPER.—But it does not matter where a man is in Australia, if he has a vote.

Mr. GROOM.—It may be a very important matter to a particular State. The desire is, without having too frequent alterations in the representation, to recognise at the same time that in a Commonwealth like Australia there are likely to be fluctuations of the population. There may be an increase in one centre, and a decrease in another, and it is desirable to harmonize our representation with the movements of population which may from time to time take place. Suppose five of the States were to remain stationary in the matter of population, and another to increase its population very largely. Suppose, for instance, a State like Queensland were to increase its population suddenly by 1,000,000 persons, that would throw the existing basis of representation entirely out of joint. We are proposing to adopt a period which will enable us to make adjustments in the event of changes in population, but which, at the same time, will not require a too frequent distribution of the electorates. We try to recognise the democratic principle of keeping the House in touch with the people, while at the same time we preserve that stability in the representation of the various States which is necessary to prevent frequent local disturbance and disturbance in Parliament itself.

Mr. HARPER.—The Parliament will be equally in touch with the people wherever they are registered.

Mr. GROOM.—That might or might not be so. A representative coming from a northern State might take very different views from those held by one coming from a southern State. There are certain States' influences which we must recognise as developing and moulding a man's ideas. The principle of this measure is of course to exclude all questions of party, and questions likely to cause Inter-State friction, and to lay down absolutely just principles on which these matters shall be determined. I think it will be exceedingly gratifying to the House if we can succeed in doing so. It will certainly be a relief to the Executive of the day, and to honorable members as well. I propose

to explain briefly the provisions of the Bill. Clause 2 provides that for the purpose of determining the number of representatives an ascertainment shall be made of the population of the Commonwealth. The inquiry is to be made by the Commonwealth Electoral Officer. He is to base his calculation upon returns supplied to him either by the Commonwealth Statistician, or by the States Statisticians in the event of there being no Commonwealth Statistician. The States Statisticians are required by a subsequent clause to base their returns on a clearly defined and uniform basis.

Mr. CROUCH.—Is it proposed that the first enumeration shall be taken on the basis of the 1901 census or upon a new census?

Mr. GROOM.—If the honorable and learned member will allow me, I will put it in this way: The fixed enumeration day is the census day. An enumeration day will be appointed, immediately after the passing of this Bill, in order to bring it into operation.

Mr. KENNEDY.—The first will be on the 1901 census?

Mr. GROOM.—It will be on the 1901 census plus the returns supplied by the statisticians upon the uniform principles laid down in this Bill. There will afterwards be a census day, and on the expiration of the fifth year after each census day there will be an enumeration on the principles laid down in this schedule.

Mr. KENNEDY.—Is it implied by clause 2 that the first enumeration shall really be a census?

Mr. GROOM.—No, it is not intended that the first shall be a census.

Mr. CROUCH.—Only an estimate.

Mr. GROOM.—The census will not fall due until March, 1911, when the next decennial census will take place. The intention of the clause is that after the passing of this Bill the Commonwealth Electoral Officer shall appoint an enumeration day, in order that it may be determined what are the proper proportions for the representation of the various States in this House. After that the next enumeration day will be a census day, and so the enumeration and census days will alternate, unless in the meantime Parliament makes provision for a quinquennial census. I do not think that the Parliament is likely to do that, because of the cost, the last census having cost the States £117,000 for collection and compilation alone.

Mr. CROUCH.—Then why cannot we wait until 1911 before taking the first enumeration?

Mr. GROOM.—It is necessary to provide for certain defined periods of enumeration. The Constitution says "when-ever necessary," and it is alleged to be shown to be necessary now by the returns made. I am looking at this matter from an absolutely impartial point of view, my desire being to do absolute justice as between the States.

Mr. PAGE.—Does the Bill improve the situation at all? Will the Minister be able to get more information when it is passed than he can get now?

Mr. GROOM.—It improves the situation by affording an opportunity to obtain information supplied according to principles approved by Parliament. After the numbers have been ascertained, the Chief Electoral Officer is to issue a certificate containing the results of his inquiry, and if it appears that any State should have an additional member, or should lose a member, a redistribution of seats will be ordered in that State. Clause 10 provides that if an alteration should take place in the number of the representatives of any State during the continuance of a Parliament, it shall not affect the existing House, but shall apply only at the next elections. If the Bill is passed, the Commonwealth Electoral Officer will be asked to fix an enumeration day. He will ascertain from the statisticians of the States the information required, and if it appears that the representation of any State should be altered, a redistribution of seats will be ordered, on the basis of the necessary alteration. Of course, we know that the electoral quotas are now so out of joint that a redistribution will be necessary, and it will be carried into effect so as to operate at the next general election.

Mr. WILKINSON.—Is it possible that this may affect the redistribution that has already been laid before Parliament?

Mr. GROOM.—It is possible that it may. The intention is to put matters on a legal basis, and to let Parliament lay down rules to determine when it is necessary to have a redistribution.

Mr. FISHER.—To take matters out of the hands of the Executive.

Mr. GROOM.—Yes.

Mr. PAGE.—Is not that the whole point of the Bill?

Mr. GROOM.—The object of the Bill is to put everything on a definite and sound legal basis, by laying down certain principles to be followed in future.

Mr. TUDOR.—If Parliament decides that the numbers for any State shall be those of the last distribution, is that distribution to be accepted?

Mr. GROOM.—Parliament will lay down rules and ask the Electoral Officer to carry them into effect. It is not that we distrust each other, and would not be fair and just, but that we wish our motives to be beyond suspicion, and it is therefore better that these things should be dealt with according to fixed principles, the justice of which can be appreciated by the public at large. I hope that the Bill will be passed into law, because I think that it will be a valuable addition to the constitutional machinery of the Commonwealth. It will be necessary to make a slight verbal amendment in clause 3, paragraph *b*, in order to make it more explicit. The Government submit the measure in a non-party spirit, and I hope to see it dealt with in that spirit.

Debate (on motion by Mr. JOHNSON) adjourned.

## ADJOURNMENT.

COMMONWEALTH PRINTING: ORDER OF BUSINESS: HIGH COURT: REPRESENTATION BILL: NON-DELIVERY OF POST-CARDS.

Motion (by Mr. DEAKIN) proposed—

That the House do now adjourn.

Mr. PAGE (Maranoa).—I should like some information as to the reason why the printing of postage stamps, postal notes, money orders, and similar papers is to be taken from the Brisbane Government Printing Office. The State of Queensland has gone to a lot of expense to obtain a printing plant second to none in the Commonwealth, and I do not understand the reason of the change. Postage stamps, money orders, and postal notes being the equivalent of money, should, of course, be in the hands of the Treasurer. No Department should be able to issue its own paper money.

Mr. JOHNSON.—The stamps are practically receipts for money.

Mr. PAGE.—£1 worth of postage stamps are as valuable as a sovereign, and the Treasurer should be the only man to control their issue.

Mr. DEAKIN.—I hope that we shall have an opportunity to discuss that question on Tuesday next.

Mr. FISHER (Wide Bay).—On several occasions honorable members have urged the desirableness of the Prime Minister, when moving the adjournment of the House, indicating the business which he proposes to take at the next sitting, and I suggest that the Prime Minister should adopt that practice, as it would be of great assistance to honorable members.

Mr. CROUCH (Corio).—I notice that some letters are missing from the correspondence, of which copies have been laid upon the table of the House, between the present Attorney-General and the ex-Attorney-Generals and the Justices of the High Court. I understand that the order of the House was that the whole of the correspondence should be published, and I am assured that one letter is missing. There is a reference in the correspondence to a letter of the 8th May, which seems to be a very important communication, but it has not been included in the papers laid upon the table. I understand, also, that a confidential letter was written by the right honorable member for East Sydney, when he was leading the late Government, but I scarcely expected that would be published. Further, during a recent debate reference was made to a letter which had been sent by the Prime Minister to the ex-Prime Minister.

Mr. DEAKIN.—I do not remember any such letter.

Mr. CROUCH.—A conversation which took place between the Prime Minister and the right honorable member for East Sydney seemed to indicate that some such communication had passed between them. If there are any missing letters, we should be supplied with copies of them. In regard to the Representation Bill, various opinions have been expressed by the present Prime Minister, the ex-Attorney-General, and the present Attorney-General which would be of much assistance to honorable members if they were available during the discussion of that measure. There are some indications that a combination may be formed between honorable members on the Government and Opposition benches against honorable members sitting in the Ministerial corner, and in view of that possibility I think we should be supplied with the fullest information.

Mr. JOHNSON (Lang).—I desire to direct the attention of the Prime Minister, in the absence of the Postmaster-General, to the fact that several complaints have been made in different quarters with regard to the non-delivery of post-cards. The practice of sending and collecting post-cards has developed to a very large extent of late, and cases have come under my notice in which post-cards have not been delivered. In one instance, six post-cards were posted at the Melbourne General Post Office, and only three were delivered. On another occasion, eight post-cards were posted at a suburban post-office, and two were undelivered. I notice also a letter published in this morning's *Argus*, which cites a case similar to those I have mentioned.

Mr. DEAKIN (Ballarat—Minister of External Affairs).—I shall direct the attention of the Postmaster-General to the regrettable occurrences mentioned by the honorable member for Lang. In reply to the honorable member for Corio, there will be no objection to furnish copies of whatever letters are referred to in the document mentioned by him, excepting, of course, the confidential letter written by the ex-Prime Minister. The honorable and learned member is mistaken in assuming that any correspondence has passed between myself and the ex-Prime Minister on the subject of the dispute between the late Attorney-General and the High Court Judges. If the honorable and learned member refers to *Hansard* he will see that I stated that I had sent a warning to the ex-Prime Minister, conveyed *viva voce*, to the effect that on the High Court question I held decided views, and, if necessary, would take decided action. With regard to the order of business, it is proposed to proceed on Tuesday with the Appropriation (New Works and Buildings) Bill, which we hope to dispose of in time to forward it to the Senate on Wednesday. When the measure has been passed by another Chamber, we shall have obtained authority for all the expenditure on public works contemplated for the current year. Following on the disposal of that measure, it is intended to resume the debate on the Representation Bill, the Census Bill, and, if time permits, the Commerce Bill.

Question resolved in the affirmative.

## House of Representatives.

Tuesday, 12 September, 1905.

Mr. SPEAKER took the chair at 2.30 p.m., and read prayers.

### PAPERS.

Mr. DEAKIN laid upon the table the following papers:—

Report of the Pacific Cable Conference.

Report of the Governor of South Australia, in respect to the Northern Territory.

Correspondence with the Premiers of the States regarding Immigration.

### PERSONAL EXPLANATION.

Mr. CULPIN (Brisbane).—The *Brisbane Daily Mail*, of the 25th August, reports me as having said in this Chamber, on the previous day:—

Other amounts were lent to New South Wales, and some banks' total receipts were £21,978. . . . The note tax in the different States brought in £18,434.

That report is absolutely incorrect. What I did say was something quite different from the statements attributed to me; but instead of a correction of this report, further false and untrue statements were published in the same newspaper last Tuesday. I feel that it is only fair to my constituents to make this correction, especially as the editor of the newspaper was an unsuccessful candidate at the first Federal election for the seat which I now occupy.

### BRITISH NEW GUINEA.

Mr. BAMFORD.—I wish to know from the Prime Minister if it is intended that Mr. Atlee Hunt shall report on the various matters which he has taken into consideration during his visit to New Guinea? If so, will the report be available to honorable members?

Mr. DEAKIN.—Mr. Hunt is preparing a report, and there will be no objection to making available to honorable members so much of it as may relate to business before Parliament.

### LETTER CARRIERS.

Mr. TUDOR asked the Postmaster-General, *upon notice*—

1. Whether the letter carriers of other capital cities in the Commonwealth are compelled to do their work from the General Post Office similarly to those employed at the General Post Office, Melbourne?

2. What is the total cost to date of centralizing the suburban letter carriers at the General Post Office, Melbourne?

3. What was the cost for the last twelve months?

4. Has any actual saving been effected by this scheme?

5. If so, how much has been saved by this centralization?

6. Who originated this scheme?

7. When this scheme was introduced, was it not intended to amalgamate suburban offices, and thereby decrease the staffs of postmasters, &c.?

8. To what extent has this been done?

9. Is it intended to expend a further sum on the Melbourne General Post Office which would not be necessary if this centralization had not taken place?

Mr. AUSTIN CHAPMAN. — The answers to the honorable member's questions are as follow:—

1. As a rule they do their work from the General Post Office, but there are exceptions in the case of distant suburbs, and the delivery is made in those instances from the local post office. These exceptions are in connexion with the Sydney, Brisbane, and Perth offices.

2. £13,259.

3. £2,058.

4. Yes.

5. £15,524.

6. Mr. Springhall, Superintendent Mail Branch, Melbourne.

7. No.

8. See No. 7.

9. No. The increased accommodation in the General Post Office is required to provide additional room for the mail work on the ground floor.

### DEFALCATIONS: POST AND TELEGRAPH DEPARTMENT.

Mr. R. EDWARDS (for Mr. JOHNSON) asked the Postmaster-General, *upon notice*—

Referring to questions 3 and 4, asked by Mr. Johnson on 17th August last, and replies thereto, reported in *Hansard* No. 6, page 1105, will he state—

1. What is the total number of defalcations by officers of the Department in New South Wales?

2. What is the total sum of such defalcations?

3. What is the total amount paid to the Department by the financial institutions interested in reimbursements on account of such defalcations?

4. Have such financial institutions been called upon to meet their full liabilities in respect of such defalcations? If not, why not?

Mr. AUSTIN CHAPMAN. — The following information has been furnished by the Deputy Postmaster-General, Sydney:—

1. Seventy-five (from 1st January, 1887, to 31st December, 1904).

2. £9,792 os. 10d.

3. £4,299 15s.

4. The full amount of deficiency has always been recovered up to the amount guaranteed. Records prior to 1887 are not available.



## NEW SOUTH WALES EXHIBITION.

Mr. HENRY WILLIS asked the Prime Minister, *upon notice*—

1. Whether he has had his attention directed to a cablegram in the press stating that the New South Wales Exhibition in Guildhall, London, was a pronounced success, and that the London press urges that a United Commonwealth Exhibition should be held in 1906?

2. Whether the Government will consider the advisability of holding a Commonwealth Exhibition in London next year?

Mr. DEAKIN.—The answers to the honorable member's questions are as follows:—

1. Yes.
2. Whether carried out next year or later, the project is one that deserves consideration.

## LETTER SORTERS: MINIMUM SALARY.

Mr. WEBSTER asked the Postmaster-General, *upon notice*—

1. Is it the intention of the Postmaster-General to concede the minimum salary to the sorters in New South Wales?

2. Is he aware that certain officers received a £14 increase, alleged to be added to bring them up to the minimum; will he state why these men were not given the £6 yearly increment until they reached the minimum?

3. Can he state why the men, who are receiving less than the minimum (£138) are to receive the £6 annual increment until they reach the minimum?

4. Is it the intention of the Commissioner to promote the assistant sorters in New South Wales General Post Office to the position of sorters?

5. Is he aware that the Department induced these assistant sorters to accept their present position? Will the Minister state why they are refused the position of sorters?

6. If the Commissioner cannot raise these assistant sorters to the position of sorters, will he give them back their old positions at the salaries they would have been receiving to-day, viz., £120 and £126 respectively?

Mr. AUSTIN CHAPMAN.—The following replies have been furnished by the Public Service Commissioner:—

1. Not immediately—see reply to question 3.
2. Yes; five despatching officers received an increase of £14 on classification, to bring them to the minimum of the position, but in doing so they were not promoted over others with satisfactory qualifications for the position.
3. Because, if immediately advanced, they would be promoted over a large number of letter carriers, who are in receipt of higher salaries, and have longer service. These sorters, under State practice, had little prospect of advancement beyond £120. Under the classification they are in a much better position, and will proceed automatically to £150, with prospects of further advancement.
4. There are no assistant sorters, but it is assumed the cases referred to are those of cer-

tain of the junior class employed as "stampers." These officers will receive promotion in their order of seniority.

5. The Minister is not aware—see reply to question 4.

6. This cannot be done. The officers referred to must be subject to the system of promotion provided for the service.

## CHIEF CLERK OF STORES, SYDNEY.

Mr. WEBSTER asked the Postmaster-General, *upon notice*—

With reference to questions 5 and 6, asked by Mr. Webster on the 4th August last, relating to alleged representations by Departmental officers to the State Public Service Board of New South Wales, respecting the promotion of Mr. W. H. Golding, will he communicate with this Board and endeavour to furnish replies to those questions?

Mr. AUSTIN CHAPMAN.—The following information has been furnished by the Public Service Commissioner:—

It is not considered desirable to communicate with the State Public Service Board on a matter which can have no bearing upon the present position of Mr. Golding as Clerk in Charge of Stores.

Mr. WEBSTER asked the Postmaster-General, *upon notice*—

With reference to question 7, asked by Mr. Webster on the 4th August last, relating to the appointment of the Chief Clerk of Stores, Sydney, will he give particulars of the services of Messrs. W. H. Golding and P. S. Eldershaw, and the grounds on which it is held that Mr. Golding ranks senior to Mr. Eldershaw?

Mr. AUSTIN CHAPMAN.—The following information has been furnished by the Public Service Commissioner:—

Mr. Golding has twenty-seven years' service; Mr. Eldershaw thirty-four years' service, but as postal inspector the former held the superior position. The appointment was made on the ground of efficiency.

## SUPPLY.

### ADDITIONS, NEW WORKS, AND BUILDINGS.

#### POSTMASTER-GENERAL'S DEPARTMENT.

*In Committee* (Consideration resumed from 8th September, *vide* page 2076):

Division 4 (*Telegraphs and Telephones*), £169,150.

Mr. MAHON (Coolgardie).—I think that the time has arrived for us to consider whether it is desirable to duplicate the conveniences afforded to residents of the larger centres of population, while most necessary facilities in the way of telegraphic, telephonic, and mail communication are being denied to residents in the remoter country districts.

Mr. WILKS.—Surely the honorable member does not wish to raise the cry of “town versus country” in connexion with this question?

Mr. MAHON.—No; I have no such desire. I strongly advocate bringing everything up-to-date, but at the same time I believe the Australian cities have been well looked after and are fully able to care for themselves. I do not blame the present Government for the condition of affairs upon which I am now commenting, but they should consider whether the more remote portions of Australia are to remain absolutely starved in the matter of postal and telegraphic facilities. I represent one of the largest and most sparsely-settled districts in Australia, and I find that, owing to the policy adopted by the Department for years past, it is impossible to obtain any new service within my electorate unless the authorities can feel assured that it will pay from the outset. The Postmaster-General indicated last week that he intended to depart from the hard and fast lines previously laid down in that respect, but I fear that his good intentions are not sufficiently virile to enable him to break through the practice which has been followed so long. We have heard a great deal about the excellence of the condenser system, and the numerous facilities which have been provided as the result of its adoption in some portions of the eastern States. I do not wish to say one word in disparagement of that innovation, but honorable members must not lose sight of the fact that it provides merely for the duplication of existing facilities—that the condenser system of telephoning has been installed only in places which previously enjoyed telegraphic communication. The introduction of the system has undoubtedly resulted in great improvement. Its effect may be likened to that which follows the construction of a railway between places which were previously served by mail coaches. But it should not be assumed that any benefit has been conferred on those outlying settlements which are most in need of facilities for communication. Speaking of the case of Western Australia, with which I am most familiar, I would point out that prior to Federation, the moment that a mining field was discovered a telegraphic surveyor was sent out to cut a track in readiness for the construction of a telegraph line; whilst postal facilities were provided forth-

with as a matter of course. The State Government did not stop to consider whether the telegraph line would pay or whether the revenue derived from the mail service would balance the expenditure by the end of the year.

Mr. WATSON.—That was during the boom, when the Government had plenty of loan money to spend.

Mr. MAHON.—There was no boom in 1897, when many of the new mining fields were opened up, and many of the works to which I am referring were carried out. The State Government recognised that postal and telegraph facilities were essential to the development of the country, and they immediately supplied them. Under the Federal administration, however, the residents of these remote districts are unable to secure the conveniences with which they were previously so readily supplied. This is not calculated to impress them with the advantages of Federation, or to make this Parliament popular. I would mention the case of Black Range, a new township which lies midway between Lawlers on the east, and Mount Magnet on the west, 100 miles from either place. The settlement has a population of more than 500 adults. I was through that country in 1900, when not a soul was to be seen, but during the last two years a settlement has been formed, and several mines are now being successfully worked. I have repeatedly applied for a telegraph line to Black Range, but I have always been met with the objection that it would not pay. I would ask honorable members to consider the position of persons in this outlying district who are in need of medical attendance as the result of illness or accident. A distance of 100 miles requires to be traversed in order to procure medical or surgical assistance, so that at least three days must elapse before a doctor can reach a man who has sustained a fracture of the arm or of the leg. In fairness to these people, who, after all, are not the least worthy class of settlers in this country, I think that this Parliament ought to lay down some new rule by which assistance shall be granted to them, by way of subsidy, in procuring these facilities. Let me cite still another case. I refer to a place called Buxville, containing a population of nearly 300, and two banks, and distant only eighteen miles from a telegraph line. So far, I have been unable to get telephone communication

ed to that town. In this connection I may further point to Parker's and Mount Jackson, each having a station of 200, and each being situated eighty miles from Southern Cross. If a passenger or a resident meets with an accident there, two or three days must elapse before a medical man can reach him. I assure the Committee that at the present time the public are instituting a campaign—and a very unfavorable one—against the management of the Postal Department under the State and its management under the Commonwealth. Last night I heard the representatives from other States discuss in a very unfriendly way a proposal to spend upon new works and services in Western Australia a larger proportion of Commonwealth revenue than that which its population seems to entitle it.

CONROY.—It stands to reason that money must be spent in those districts as yet, are undeveloped.

MAHON. — That is exactly my opinion. I think that more allowance ought to be made for expenditure in a new territory than some honorable members appear inclined to make. A country in course of settlement should naturally appeal to the honorable members for larger allowances than those required in the case of an older and more settled colony. Still I do not feel inclined to meet the criticism indulged in, since this expenditure has been placed upon a *per capita* basis. I feel that, from the point of view of the representatives of other States, it is a good deal to be said against extending the money of the people of Queensland or Tasmania upon new works and services in Western Australia, especially in view of the bookkeeping provision of the Constitution, under which the earnings of the post-offices are enjoyed by the people of Western Australia alone.

WATSON.—The method now being adopted is a one-sided evasion of the bookkeeping system.

MAHON.—Although I believe that the late Treasurer has simply given effect to the provisions of the Constitution by charging the expenditure upon new works and buildings upon a *per capita* basis—

WATSON.—That expenditure was debited against the respective States in which it was incurred for three years and no commissions were made.

MAHON.—That is so. The Treasurer has discovered that a very large sum

would require to be debited to Western Australia during the present year if that arrangement were carried out, and as the result of inquiry, he was legally advised that, in order to give effect to the provisions of the Constitution, he must debit the cost of these new works and buildings upon a *per capita* basis. Some time ago, as one way out of the difficulty, I suggested to the Government of Western Australia that it should take the place of the private individuals chiefly concerned by offering to guarantee to make up to the Commonwealth Government any deficiency in the cost of carrying out these services. I suggested to the then Premier of Western Australia that where so much was lost upon a mail service or upon the extension of telegraphs, the Government of that State should take the place of a municipal council, and guarantee the Federal authorities that they would make good any deficiency. At first he seemed disposed to favour that idea, but upon looking into the matter he appeared to think that it would complicate the position of Western Australia when the Commonwealth Parliament was called upon to pay the value of the transferred properties. Upon that account he ultimately declined to give the necessary guarantee. I confess that I am quite unable to see how Western Australia could be embarrassed by the adoption of my suggestion.

Mr. CONROY.—Upon the face of it, the honorable member's suggestion appears to be a sound one.

Mr. MAHON.—I have not been able to discover the grounds for the objection which the late Premier of Western Australia entertained to my suggestion. In proof of my statement as to public feeling in the western State regarding the refusal of postal facilities, I desire to quote from a letter which I have received from a gentleman who represents a remote portion of that State—I refer to the far north-west coast—in the Western Australian Parliament. He has authorized me to make this complaint public, and I have no hesitation in doing so. My informant is Mr. Isdell, the representative of the Pilbarra district. He says:—

We have a new tin-field about 60 or 70 miles west from Port Hedland, and as it is principally lode tin, and a large number of leases have been applied for, there is every prospect of its being permanent. A great deal of money has been and is being invested there. The present population is about 250, and is rapidly increasing. There is no mail communication of any sort, the nearest

post-office being Port Hedland, 70 miles away. Nearly two months ago an offer to run a fortnightly mail for a subsidy of £2 per week was made to the Deputy Postmaster-General at Perth.

That officer, it appears, has no power to accept a tender of that sort if the amount exceeds £20 per annum. The result was that the matter was referred to Melbourne and nothing further has been heard of it. Mr. Isdell thus concludes his letter:—

Every one in Western Australia complains of Federation, and nothing would have pleased us better than if all the West Australian Senators and Representatives had handed in their resignations when the Survey Bill was rejected. It would have brought the other States to their senses quickly. The loss of control of postal matters over here has been a curse to Western Australia.

Under these circumstances I ask what course can we adopt to secure better postal and telegraphic facilities for these remote places? So long as these works are charged per head of the population I feel that there is a good deal to be said from the stand-point of the other States against any extraordinary increase of expenditure in Western Australia.

Mr. CONROY.—Until the States debts are taken over.

Mr. MAHON.—As long as the book-keeping section is in force. I agree with the view expressed by the late Treasurer in delivering his last Budget statement, that that provision should remain in operation for at least ten years, so far as Western Australia is concerned. That being so, honorable members will recognise the reasonableness of the proposition I have to make, namely, that an arrangement should be entered into with the State Government by which the Commonwealth would be at liberty to deduct from their excess revenue the cost of new works and buildings in Western Australia. That, I think, is a fair proposal. I observe that in the Budget-papers the excess of Customs and Excise revenue which is returned to the States after one-fourth has been deducted by the Commonwealth is described as surplus revenue. That is far from an exact description; and, in making this proposition, I am speaking of the surplus denominated as the balance due to the State over and above the three-fourths of Customs and Excise revenue which the Constitution requires to be returned to the State. I find that by the end of the next financial year we shall have returned to Western Australia, in round figures, £900,000 over and above the three-fourths required by the Constitution to be returned.

Would it not have been better, instead of giving that immense sum to the State politicians to play with, to have kept our own services up to date by means of payments out of these moneys? This excess sum has been expended by the State in the construction, among other things, of non-paying railway lines. I have no desire to say anything against the construction of those lines, for I trust that they will soon pay their way; but as the result of the system we have been adopting, the Government of Western Australia have been enabled not only to construct railways to agricultural districts, which are on the non-paying list, but to erect Government batteries for the reduction of auriferous ores—at a cost of from £5,000 to £7,000—sometimes in districts where there is neither a post-office nor a telegraph station. Is it not reasonable in these circumstances that the people should arrive at the conclusion that the State Government is doing immensely better than the Federation? And yet the fact remains that the State is enabled to carry out these works largely by means of money which the Commonwealth need not return to it unless it pleases. A good deal is, therefore, to be said in support of the objection of the other States to the debiting of new works and buildings on a *per capita* basis. I have the authority of the late Treasurer for the statement that there is nothing to prevent the Federal Government from agreeing with the several States that provision shall be made for these works out of the balance due to them, or, in other words, that they shall be treated as pre-Federation expenditure. That is the system which I should prefer. The right honorable member for Balaclava informs me that as Treasurer of the Commonwealth he adopted it in other cases, with the consent of the Government of the States concerned; and, that being so, there is no reason why we should not follow it in the case of Western Australia. With the introduction of such a system the representatives of other States would not be so ready as they are at present to keenly scrutinize expenditure proposed to be incurred upon new works and buildings in the western State. I do not think that I need detain the Committee much longer; but I would again impress upon the Government the necessity to give immediate attention to this question. Federation is undoubtedly becoming extremely unpopular

amongst the best classes of our citizens—the settlers and pioneers of the back country—and this unpopularity, so far as Western Australia is concerned, is due solely to the failure of the Commonwealth to supply residents of sparsely populated districts with mail and telegraphic services. The people are not unmindful of the reduction in telegraphic rates and other minor advantages which have flowed from Federation, but the absence of mail and telegraphic services touches them at the sorest spot. It is a matter that comes home to every man, woman, and child living in these isolated districts, and the want of reasonable facilities in this direction is naturally felt very severely by them. While proposing to furnish the cities with up-to-date appliances in the matter of telephone services and other conveniences, the Government should seriously consider the position of those who dwell in the remote parts of Australia, and should ascertain whether or not some arrangement can be made with the State Government whereby the Commonwealth will be able to improve their situation. It is not for me to propound a scheme, but the question is becoming one of such importance in the Western State that the time has arrived when it is advisable for the Commonwealth Government to review the policy with which we started—that all new services should pay their way. That is a justifiable condition to impose in respect of new services for cities and thickly-populated districts; but is it reasonable to expect new telegraph lines or mail services to sparsely-populated parts of the Commonwealth to earn sufficient to pay interest on the expenditure upon them? These works should be regarded as tending to develop the country, to promote settlement in the interior, and to make large and prosperous cities like Sydney and Melbourne possible. The time has arrived when the Government must reconsider the question of the terms upon which new services to outlying districts shall be granted. I am sure that the Postmaster-General and his colleagues, as well as the late Postmaster-General—who is acquainted with the rural life of Australia—desire to do everything they can to promote settlement. The question to-day is a live one. Every one agrees that we need to attract immigrants to Australia, and if we really desire people to settle in the interior, it is only reasonable that we should give them the facilities that are

necessary to anything approaching a rational life. Mail services and telegraph or telephone lines are helpful to this end, and should be granted wherever possible. I personally am a great believer in the telephone system, as an aid to settlement. I am confident that if we could, by some means or other, connect every farmer's house in Australia with the telephone system, we should, in that way, give a great incentive to settlement, because it is the isolation and monotony of country life that drives people into the cities, and depopulates the rural districts. In view of all these facts, I appeal to the Government, with all the earnestness that I can command, to review the policy to which they and their predecessors have been committed, and to give the question of the extension of facilities to country districts the fullest and fairest consideration.

Mr. LEE (Cowper).—I should like to impress upon the Postmaster-General the necessity of departing from the present system of dealing with applications for postal and telegraphic services for sparsely-populated districts. If a thinly-populated district applies for a telephone or postal service, it is called upon first of all to furnish the Department with a guarantee that the service will pay. And if after a report is made, it is thought that the revenue would not pay the interest on the expenditure, the application will not be granted unless the residents will guarantee any deficiency in the working of the line. This system is wrong, and does not encourage men to go into outlying districts and settle there. In new districts farmers have quite enough to do to clear their land and pay their way, without being called upon to guarantee the working of telephone lines, and also find sites for post-offices. In some districts the residents have not only guaranteed the Department against loss, but have also erected the lines, and when an application is received from another district the Department points to what has been done by the residents in other districts, and asks the applicants to imitate their example. That is not fair or right, and it is no wonder that, while such a course is followed, Federation is not so popular as it should be. Owing to the manner in which the Department has been administered, one hears persons say: "The postal service was a long way better when it was under the control of the State." It should be better under the

administration of the Commonwealth. This year the Commonwealth will return to the States £400,000 more than it need return. It is only right for the Postmaster-General to make use of a portion of this sum in granting telegraphic and telephonic facilities to country residents. The honorable member for Coolgardie mentioned the necessity for providing means for communicating with doctors in urgent cases. It is absolutely necessary, I think, that these facilities should be granted, if only for use in such circumstances. At the present time an official office will be provided with an outside lamp, while an unofficial office has to be approached in the dark. I do not see why this distinction should be drawn when light could be provided at such a small cost. Although these are little matters in themselves, still they tend to make the service unpopular. I trust that lighting arrangements will be provided for all offices. I cannot appreciate the policy of subsidizing steam-ships to carry our mails to other parts of the world, while ordinary assistance is refused to settlers in the back-blocks. We talk here day after day about how we intend to populate the country. If we wish to promote immigration, we ought to provide the necessary conveniences so that to residents in country districts life may be worth living. In New South Wales, although it is pretty well populated, there are large tracts which are only just being opened out. Take the settlers in the great Don Dorrigio country, about which we hear so much. They have sent petition after petition to the Post and Telegraph Department, but to each request a deaf ear has been turned. In these districts, postal and telegraphic conveniences are just as necessary as are good roads, so that the residents may be able to know what is going on in the world, instead of continuing to live like a number of savages. I trust that in the future the Postmaster-General will favorably consider any request for the extension of telephonic or telegraphic conveniences to sparsely-populated districts, and will not ask the applicants to guarantee the working of the lines.

Mr. WATSON (Bland).—While it is a very proper thing to consider in the most liberal spirit possible the extension of postal, telegraphic and telephonic facilities in country districts, still it is not wise, I think, to lose sight of the fact that the Post and Telegraph Department pretends to be a

commercial institution. We say that in the public interests it is essential for the Commonwealth to have a monopoly of telephonic and telegraphic communication, and postal work generally. While I believe in extending facilities to the little aggregations of people in country districts wherever it is possible, and would even strain a point where the revenue from a proposed line was not likely to meet the expenditure, still the fact that we are not able to grant all the facilities which may be desired by country people is no reason why we should refuse to institute between large centres new developments in means of communication which would be likely to pay. Surely it must be apparent to everyone that if we instituted paying means of communication between large centres like Sydney and Melbourne, the revenue would help us to grant to country districts facilities which, under present circumstances, we are not able to provide. It seems to me that the honorable member for Coolgardie has taken up a rather peculiar attitude. This year, the Department expects to receive a revenue of £247,000 in Western Australia. The ordinary expenditure for the State is £282,000, and, in addition to that sum, new works and buildings to the value of £60,000 are proposed, bringing the total expenditure up to £342,000. In other words, on the postal and telegraphic services in that State there will be a loss of £95,000 odd this year.

Sir JOHN FORREST.—It strikes me that Western Australia is doing very well.

Mr. WATSON.—It strikes me that Western Australia is doing very handsomely indeed, when the Commonwealth proposes to spend in that State a large proportion of the money which is to be contributed by the residents of other States, particularly on account of new works and buildings.

Sir JOHN FORREST.—But the people of Western Australia will pay for works in other directions.

Mr. WATSON.—For the provision of new works and buildings in Western Australia, £60,000 is to be contributed, largely on a *per capita* basis, by the people of other States.

Sir JOHN FORREST.—We assist to pay for other Federal works.

Mr. WATSON.—It was quite a fortunate thing for Western Australia when the iniquitous system of doing away with the bookkeeping method in regard to new works and buildings was instituted last year

ate Treasurer. Perhaps it is only remark that when last year I drew to the manner in which the change operate against the States which had the precaution to make some provision for the past for works and buildings, is hardly an honorable member who raise his voice in support of my

JOHN FORREST.—The people of Australia will have to pay after-

WATSON.—I admit that as soon as transferred Departments have to be made, or arrangements have been made, the interest on the estimated value, justice will right itself, but several years elapse before definite action can be taken, and, during the interval, certain States will reap an advantage at the cost of others. I noticed that the other day the Premier of New South Wales pronounced against this system having been introduced. But it is a curious thing that he waited twelve months or more to go by before making his protest. It would have been much more effective had he made it at the time of the innovation.

JOHN FORREST.—New South Wales will come off very badly.

WATSON.—But she does. She is paying a large amount for works in Western Australia.

JOHN FORREST.—This year she is paying £5,000 to the bad.

WATSON.—Is that all? New South Wales could do very well with that. Although a year or two ago we went to boast of being able to assist the less fortunate States, we are to-day in such a position that £20,000 or £25,000 is of great importance to us. Though it is true that it was inevitable that the bookkeeping system should be abandoned so far as it concerns new works and buildings, I am not at all satisfied for the two or three years during which the bookkeeping system was adhered to, in respect to that class of expenditure, the slightest protest was made by any of the States. They all recognised that, from the constitutional position, it might be as perfectly equitable that until the fixed properties were paid for, each State should be debited with the expenditure within its own borders. I cannot understand how it was that the late Treasurer made no alteration. There was no demand

Sir JOHN FORREST.—The law compelled him to do it.

Mr. WATSON.—It is useless to say that, because if the argument were sound the law should have compelled him to do it two or three years previously.

Sir JOHN FORREST.—The difficulty was accentuated in regard to new works, and the system could not continue.

Mr. WATSON.—I am doubtful whether the law did necessitate a change.

Sir JOHN FORREST.—It is "other" expenditure, not expenditure on transferred services.

Mr. WATSON.—That is a question upon which legal gentlemen are not able to agree.

Mr. McCAY.—Have lawyers differed in their advice with regard to the allocation of "other" expenditure?

Mr. WATSON.—The argument is that we are compelled to put outlay upon new works and buildings on a *per capita* basis, because it is expenditure on works apart from those in existence when the departments were transferred; and I say that if that argument were sound, we should have to debit on a *per capita* basis all additional expenditure in connexion with the departments, no matter under what heading it might be.

Mr. McCAY.—Is there an authoritative opinion to that effect?

Mr. WATSON.—I do not know what the honorable and learned member would regard as authoritative.

Mr. McCAY.—The honorable member led us to infer that legal opinions had been obtained on both sides.

Mr. WATSON.—Yes.

Mr. McCAY.—Has a legal opinion been given to the Commonwealth?

Mr. WATSON.—I cannot say that, but I have heard of opinions from some legal gentlemen. As to whether they have been given to the Treasurer I do not know. But I repeat that no requests were made by any of the States, so far as I have been able to ascertain, that there should be a change. On the contrary, some have protested against it being made. However, the point to which I particularly wished to draw attention was that the honorable member for Coolgardie objected to extra facilities being given to the people of Sydney and Melbourne, whilst the expenditure in Western Australia was cut down.

Mr. MAHON.—The same is the case with Queensland and South Australia.

Mr. WATSON.—In each of those States there is a considerable loss on the working of the Post and Telegraph Department. I say again that when we give to Western Australia extra facilities, costing £95,000 more than the receipts, we are doing a very fair thing by that State—a very fair thing indeed. We are actually spending in that State on postal work and facilities £95,000 more than we are likely to receive.

Mr. MAHON.—Where does that appear?

Mr. WATSON.—In the Estimates for the year. There is another point which the honorable member might consider. This new expenditure for communication between two principal cities of the Commonwealth concerns States in which a large profit is made on the working of the post-office. In New South Wales this year it is estimated that after allowing for all works and buildings expenditure there will be a profit of £73,000. I admit that that does not allow for interest on capital previously expended, but I have not taken that into account in any of these calculations. In Victoria there will be a profit of £40,000. Yet the honorable member objects to an expenditure which it is stated by the officers of the Department will show a further profit.

Mr. MAHON.—Where is that statement as to the profit made?

Mr. WATSON.—It is made by the Postmaster-General.

Mr. MAHON.—According to the Estimates there is a loss of only £6,000 on the working of the Department in Western Australia.

Mr. WATSON.—If the honorable member looks up the Estimates he will find that the estimated revenue is £247,000, and the estimated expenditure is £282,000, in addition to which there is an expenditure of £60,000 on new works, buildings, and additions.

Mr. MAHON.—That is not a loss.

Mr. WATSON.—It is all expenditure; it is so much in excess of what we are receiving.

Mr. MAHON.—The honorable member ought to add, to get at the true position, the Customs and Defence expenditure in the various States.

Mr. WATSON.—Not at all; I am speaking simply of the postal revenue. If we are justified in retaining the post-office and telegraphs as a Government monopoly, we ought to extend all modern facilities in connexion with them to the people of the chief cities. If we are not prepared to do

that, we ought to hand over the post-office and telegraphs to private enterprise. Does any one mean to tell me that in two cities like Melbourne and Sydney, each with a population of over half-a-million, any private company which had the management of this Department, would, for such a length of time, have allowed them to remain without telephonic communication? Yet honorable members argue that we should refuse to give those facilities which a private company would long ago have afforded.

Mr. MAHON.—I do not say that.

Mr. WATSON.—That is the effect of the argument—that because we are not able to do all we should like to do for the outlying districts, we should refuse to extend to the large cities facilities for which they themselves will pay.

Mr. MAHON.—The honorable member wants to starve the country districts.

Mr. WATSON.—The honorable member knows that I do not wish to do anything of the kind. All I say is that we should not refuse to give facilities to the people of the big cities, who are prepared to pay for them at a rate which will give a profit—that we should not refuse those facilities simply because we are not able to provide all the conveniences we should like to provide in the back country.

Mr. MAHON.—Who has estimated the alleged profit?

Mr. WATSON.—The officers of the Department, I understand.

Mr. FRAZER.—Has a guarantee to be given?

Mr. WATSON.—Where the departmental officers estimate that there will be a profit, a line is always provided without a guarantee.

Mr. SYDNEY SMITH. — The honorable member knows that guarantees have been reduced considerably.

Mr. WATSON.—I am glad to say that I know that to be a fact. Before the honorable member for Coolgardie entered the Chamber, I said that I had every sympathy with the extension of postal facilities in the country districts; and the late Postmaster-General, the honorable member for Macquarie, deserves some credit, together with other Postmasters-General before him, for their efforts in that direction. But so long as we make the Post Office a Government monopoly, we should be prepared to conduct it on ordinary business lines; and when our experts say that a telephone line will pay, and pay handsomely, we do an injus-



tice to merchants and others if that line is not constructed.

Mr. PAGE.—Why not give the same facilities in the case of country lines?

Mr. WATSON.—That is already done. There is no difficulty about the construction of any country line which, in the opinion of the departmental officers, will return a profit.

Mr. PAGE.—If that principle had been applied in the past in Queensland, none of the backblocks would have had these facilities.

Mr. WATSON.—I do not say that in every case we should refuse to construct a line that will not pay. All I am saying now is that we are not justified in refusing to construct a line which it is demonstrated will pay. We cannot approve of all non-paying lines if we are to make the Department a success; but as one who desires to see the Post Office continued as a Government institution, I hope the day will never come when the Department will refuse to grant facilities that would be granted by a private company. No one can doubt that a private company would, a considerable time ago, have connected the two populous cities of Melbourne and Sydney by means of a telephone line.

Mr. KING O'MALLEY (Darwin).—The telephone system of Melbourne is absolutely disgraceful. It is the system that Noah employed when reporting the flood.

The CHAIRMAN.—The honorable member will be able to deal with that matter on the next item.

Mr. KING O'MALLEY.—Unless the Government can give me some guarantee that Tasmania is to be provided with a few conveniences which are required in the Postal Department, I shall oppose the expenditure of this money in New South Wales. The honorable member for Coolgardie had a lot to say about the smallness of the expenditure in Western Australia, but I find that for that State the sum of £73,718 is put down, as against £11,196 for Tasmania, though the population of the two States is equal, or nearly equal. I do not say that the honorable member for Coolgardie desires that Western Australia should leave the Union, but that honorable member has received suggestions from members of Parliament in that State that it should secede unless all the facilities they require are provided. Jeff Davis, and the other leaders of the Southern States, determined to retire from the American Union, but after four years

of struggle, they were whipped back again, and it may yet be necessary for the Commonwealth to whip States into the Australian Federation. I should insist on the Commonwealth retaining the whole of the revenue to which it is entitled, and expending it in the different States for the benefit of the people of those States. The Commonwealth Government is becoming unpopular mainly because of the provincialism of the various officers who have control of the Commonwealth business in the States. Take, for example, the Deputy Postmasters-General. If, in the State of Tasmania, I desire anything done for the benefit of the people of the backblocks, the Deputy Postmaster-General there opposes the suggestion, however important or necessary it may be. As an illustration, I may say that some time ago I urged that the post-office at Ulverstone should be opened for a quarter of an hour each evening after the arrival of the mail train, so that the letters might be distributed to citizens who were waiting for them. That proposal was opposed by the Deputy Postmaster-General of Tasmania, and months and months elapsed before the late Postmaster-General, the honorable member for Macquarie, gave a trial to the system I had suggested. But what happened? The order was that the post-office should be opened for a quarter of an hour each evening after the arrival of the train, and the order was carried out, but the quarter of an hour was utilized in sorting the mails, and no letters were delivered. I made another appeal to the Postmaster-General, and a peremptory order was sent to Ulverstone that the post-office must be kept open for a quarter of an hour for the delivery of letters to the people. The Deputy Postmaster-General again reported against this convenience. Only lately he sent in another report to the effect that the people did not require it, although a great many of them had petitioned me to try to get the post-office opened for them. The late Postmaster-General insisted that the post-office should be opened, as I suggested, and it is now kept open as a permanent arrangement. One might as well try to get up Niagara Falls in a hickory nutshell as try to get one of these deputy postmasters-general to do anything. This is what makes the Commonwealth Government unpopular in the different States. People will say—"Before Federation we could go to a member of the State Parliament, and he would get these

things done for us." We never shall have anything done in this country until some of these high officials are sent to Japan or to Timbuctoo. I suggest to the Postmaster-General that we have now an opportunity to experiment with wireless telegraphy. It is no longer a matter of experiment in the United States. We all know that King Island has no connexion with the mainland of Tasmania or with Victoria, and there are between 700 and 800 people living there. They have mail communication now only once a week. I brought this case before the House long ago, and endeavoured to persuade one of the Commonwealth Governments to induce one of the steam-ship companies to allow a steamer to call there regularly, in order to give the people decent postal facilities, but I was not successful. I now ask the Postmaster-General whether he could not usefully experiment with wireless telegraphy between Burnie and King Island. If the experiment results in failure we need spend no more money on it, but if it is proved to be a success, the system might be used all over the Commonwealth, and it would obviate the necessity of erecting telegraph wires. The matter is worthy of consideration by this House and by the Government. I also suggest that the Commonwealth Government should not hand back to the States any portion of the one-fourth of the revenue to which the Commonwealth is entitled. They should utilize it for the benefit of people in outlying portions of the Commonwealth, in giving them reasonable means of communication with the various important cities. I believe in the establishment of telephonic communication between Melbourne and Sydney. I believe that we should have a system in this country which is now recognised as up-to-date in America. The reason why the majority of people object to Socialism and socialistic government is because we do not make our head officials work. They are lethargic to a degree which suggests the application of a galvanic battery.

Mr. KELLY.—Yet the honorable member supports Socialism.

Mr. KING O'MALLEY.—The system is all right, but the officials do not do the work required of them. What we want in this country is change, and I am beginning to believe that permanency in the Civil Service heads is not a good thing. They have a much better service in America than we

have in Australia, although the head public servants there know that they must go out every four years.

Mr. McCAY.—The great bulk of them are now under a Civil Service Act.

Mr. KING O'MALLEY.—Those below a certain grade are. I think it would be well if we could retire a number of the top officials in this country. We might give them pensions and send them round the world, and let their juniors in the service have promotion. We should then have some progress in our Public Service. Everything in the service now is bound up in red tape, and if you wish to get anything done in any of the Departments you may become blue or green mouldy before you obtain what you want. I hope the Postmaster-General will consider my suggestions favorably. I am satisfied that we should have telephonic communication between Melbourne and Sydney. We should have an up-to-date system; but we have here a telephone system which was the system in vogue in America when I left that country sixteen or seventeen years ago. A man rings the bell until he is tired, and then in disgust he decides to visit the man he has tried to ring up.

Mr. WILKINSON (Moreton).—If the Commonwealth Government had an unlimited amount of money to spend, I do not suppose there would be any opposition by representatives of other States to the proposal to provide telephonic communication between Melbourne and Sydney. There is an aspect of the question other than that dwelt upon by the honorable member for Bland. It should not be forgotten that the people whose money will be spent in providing this communication between the two most important cities of the Commonwealth are also the owners of the Commonwealth estate. To say that private enterprise would have provided this communication is not to prove that the Commonwealth will be justified in providing it whilst so many other parts of our great estate are so inadequately served in the matter of modern means of communication. It may be urged that this telephone system, if established, would pay working expenses, and even a profit, but there is an indirect profit which should be taken into consideration in providing means of communication with rural districts and the back country parts of the Commonwealth. We hear many professions of the desire which honorable mem-

bers have that there should be less concentration of our people in cities and more extensive settlement in our country districts. Whilst we make these professions we seem to be willing all the while to pamper those who are concentrated in cities, to the detriment of those who are living in the back-blocks. I cannot complain very much of the way in which my demands for conveniences in my district have been met by the Post and Telegraph Department, but it is a comparatively settled district, and I have some sympathy with those who have gone out to do the pioneering work of settlement in districts where the amenities of social life and the conveniences of civilization are very few. If we have £25,000 or £30,000 to spend in this Department, before we think of spending it in adding to the conveniences which, if not quite up to date, are very nearly so, of the people living in great cities, we should try to provide some conveniences in places that have none at present. That is the view I take, and I should have been better pleased if in these Estimates it had been proposed to spend some money in giving telephonic and telegraphic facilities in districts of the Commonwealth which are only just being opened up to settlement.

Sir JOHN FORREST.—This proposal will make money. It is claimed that this communication will prove profitable.

Mr. WILKINSON.—I would point out to the Treasurer that the Commonwealth benefits by the settlement of people on the land, even though the receipts of the Department from telephone rents and three-pence-in-the-slot telephones may not always cover the cost of providing these services. If the giving of increased telephonic communication leads to greater settlement on the land, our Customs revenue and the land revenue of the States will both increase, while the whole community will benefit in a hundred and one ways. Therefore we should not take into consideration only the payments in hard cash received for services of this kind; the indirect benefits which result must also be remembered. I shall not vote against this proposed extension, but I would rather have seen the money it is proposed to expend to connect the two largest centres of population used to extend the telephone system in rural districts.

Mr. McCAY (Corinella).—The proposition of the honorable member for Moreton,

reduced to its simplest terms, resolves itself into this—that the closely-settled portions of the Commonwealth are not to advance until the sparsely-settled portions have reached the same standard of development.

Mr. WILKINSON.—No; I merely desire that fair play shall be given to all.

Mr. McCAY.—The honorable member objects to the erection of a telephone line between Melbourne and Sydney while there are outlying portions of the Commonwealth which are without rapid means of communication.

Mr. PAGE.—Hear, hear.

Mr. CAMERON.—The people in the outlying districts will have to contribute to the cost of this work.

Mr. McCAY. — The people of Melbourne and Sydney contribute a larger proportion of the cost of all public works than do the people residing in sparsely-settled districts. I venture to think that if the proper method of developing communication is adopted, the most populous centres, where profits are most likely to be obtained from these services, should always be a little ahead of, and set the pace for, outlying districts.

Mr. PAGE.—That is all that we want.

Mr. McCAY.—I understand that it is the opinion of officials in the Postmaster-General's Department that a telephone line between Sydney and Melbourne would return a profit of something like 10 per cent.

Mr. AUSTIN CHAPMAN.—After making every allowance, including the estimated loss in receipts from telegrams, it is thought that the proposed line would return a profit of 5 per cent. net from the start.

Mr. McCAY. — That would provide money for the extension of the telephone system in other directions. If State enterprise is to be justified, it must provide facilities of communication where profit is to be earned quite as much as where profit is not to be earned. The proposed telephone line between Melbourne and Sydney will not benefit my constituents, but its erection is, on the figures submitted, a justifiable enterprise. It is one which a private company would certainly undertake, and a State should at least give the facilities which a private company would give to the public. The usual complaint is that the State undertakes too much; but in this instance it is urged that it should do less than a private company would do. If we

are not to have long-distance telephones in Australia, the proposed telephone line between Melbourne and Sydney should not be erected, and if we are to have such telephone lines the two largest cities of the Commonwealth are obviously the natural termini of the first of them.

Mr. PAGE (Maranoa).—In addressing myself to items 1 and 7 of subdivision 1, I would remind the honorable member for Bland that the people of the other States were fully aware, prior to Federation, that the postal revenue of Queensland did not cover her postal expenditure, because of the large area over which her population is scattered. I, for instance, represent a constituency about as big as New South Wales, but should the pioneers who have gone out there to extend the bounds of civilization be penalized by being refused means of communication? The large centres of population in the eastern coastal districts have every facility in the way of postal, telegraphic, and telephonic services for rapid communication; but it is very difficult to obtain anything in this way for country districts. Ever since I have been a member of Parliament I have advocated the extension of the telegraph into a certain district, but, although successive Postmasters-General have promised to see if something cannot be done, and although the request has been reduced from a request for a telegraph to a request for a telephone, nothing has been done. What is wanted is telephonic communication between a place on the borders of Cooper's Creek, between Stonehenge and Jundah, and the nearest telegraph office, some forty miles away. I do not say that the line would pay handsomely from the start, but the township which it would serve is on one of the main stock routes of Queensland, and settlement in the neighbourhood is increasing. The residents of the district were quite willing to pay some extra charge if required, but the authorities asked them to enter into a guarantee to pay the interest upon an expenditure of £10,000. They must have known that such a suggestion was preposterous, because there are only about twenty residents, none of whom know how long they will remain there. It would have been much more to the advantage of the people of Queensland if that State had stood out of the Federation, because all the facilities which are now denied to the outlying districts would unquestionably have been granted by the State Govern-

ment. The honorable and learned member for Corinella says that the proposed telephone between Melbourne and Sydney should be provided, if it will return revenue sufficient to pay interest on the outlay. I quite agree with him, but I think that if such a work as that contemplated prove profitable, the proceeds should be devoted to the provision of telegraphic and telephonic facilities for residents in the remoter settlements. The honorable member for Macquarie, when he was Postmaster-General, promised honorable members that if they left matters in his hands he would be able to meet all their requirements. Upon that understanding, I consented to the Estimates being passed, but I am in the same position to-day that I occupied twelve months ago. I have, therefore, made up my mind that I shall not allow these Estimates to pass unless some guarantee is given that the question of providing telegraph and telephone facilities to the outlying districts will receive consideration. The honorable member for Darwin suggested that wireless telegraphy might be utilized as a means of communication with outlying places, and I would suggest that an experiment with that system might be tried with advantage over the forty miles of rolling downs which separate the two places to which I have referred. The Government apparently have made up their minds to do nothing for the outside districts. They are content to devote their energies to improving the conveniences provided for the people living in the large centres of population, such as Melbourne, Sydney, Brisbane, Townsville, and Fremantle. The money which has been spent in Fremantle alone would have been sufficient to provide for telegraph services to the whole of the outlying districts. The time has arrived for representatives of the country electorates to band themselves together, in order to secure fair treatment. Whenever the interests of the big capitals are affected, the representatives of all the States join forces, and I think that the representatives of the country districts should adopt a similar course. I shall not be content until I am assured that Western Queensland will get a square deal, and, in order to test the feeling of the Committee, I move—

That the item "New South Wales—Construction and Extension of Telegraph Lines, Instruments and Material, £12,000," be reduced by £1.

Mr. SPENCE (Darling).—Honorable members who are opposing the proposed

vote for the construction of a trunk telephone line between Sydney and Melbourne are mistaken in supposing that it has anything whatever to do with the question of the extension of telegraph and telephone services in the country districts. I quite agree with the honorable members who urge that wherever possible telegraph and telephone facilities should be granted to residents in the country, but I do not see that the item now under discussion in any way affects that question. I think it is desirable that we should avail ourselves of the very latest improvements in the means of communication. Honorable members have not failed to secure the construction of telegraph and telephone lines in country districts, because of the improvements which have been made in the metropolitan services. It should be our object to infuse a little life into the Post and Telegraph Department, and to induce our officers to seek new business instead of shirking their work. If we succeed in doing this we shall soon secure all the extensions we require. Although the condenser system has been in operation in other parts of the world for many years, our electrical engineers for a long time steadily declined to avail themselves of it, and now that a step has been taken in the right direction we should encourage them in every way we possibly can. Our officers should keep themselves thoroughly in touch with what is going on elsewhere, and should confer upon us the benefit of the experience gained in the great centres of scientific activity. We are not called upon to experiment for ourselves. We shall do very well if we keep pace with the rest of the world. Long distance telephones have proved successful elsewhere, and I thoroughly approve of the proposal to establish a telephone system between Melbourne and Sydney. We do not need to be assured by the Departmental officers that the line will pay, because common sense suggests that a large amount of business which cannot be very well conducted by means of the telegraph line will be transacted through the telephone. It is not proposed to benefit merely Sydney and Melbourne, but I understand the intention is to extend telephone services from the main trunk line as far as possible to all the towns that can be connected through the principal intermediate stations. If the proposed new line were to be regarded merely as a feeder to the telephone system, it would

pay exceedingly well, and therefore I shall give the work my heartiest support. Should this experiment prove successful, telephone connexion between Brisbane and Adelaide will doubtless follow. I contend that it would be wise to erect main telephone lines through the various country districts, and to extend branches from them in almost every direction to complete the system. In short, it would be an advantage if every farmer's house in Australia enjoyed telephonic facilities. It stands to reason that the more revenue we derive from this source, the more money we shall be in a position to expend. Upon some of the long-distance lines connected with Sydney, the subscriber's voice can be heard much more clearly than it can upon other circuits, when he is, perhaps, engaged in speaking to somebody who resides in the next street. In the past we have been too prone to neglect the interests of those who are located in remote districts. The extension of the condenser system has proved a blessing to many people in sparsely populated areas. By means of that system, the ex-Postmaster-General, during his term of office, connected the towns of Cobar and Nymagee, which are sixty-five miles apart, so that it is now possible for mining managers in those places to communicate with each other promptly.

Mr. SYDNEY SMITH.—That work did not cost more than about £20.

Mr. SPENCE.—I expect the present Postmaster-General, who has progressive ideas, to go one better than his predecessor, by connecting Cobar with Sydney, from which it is distant some 453 miles. Branch services could then be extended from the main trunk line, and thus the whole of Australia could be connected. I believe that there is a big future for our telephone system, and that its use will not necessarily conflict with that of the telegraph. But even if it entirely superseded the telegraph, I claim that we should employ the best means of communication obtainable.

Mr. HENRY WILLIS (Robertson).—I think that the ex-Postmaster-General is to be complimented upon having taken the initiative in installing the condenser telephone system, which has proved such a great success. During the short period that he remained in office, he connected numerous outlying places with the metropolis of Sydney at a very small cost. The revenue which is being derived from these

lines is very great indeed. That the present Postmaster-General should have taken the matter up in earnest was only to be expected, seeing that he is such an enterprising man. I trust that he will continue to follow in the footsteps of his predecessor. I hope that he will extend the condenser system in the district which I represent, and which forms the very centre of the electorates in New South Wales. The extension of that system, however, will be impossible, if the amendment proposed be carried, because it will be tantamount to an instruction to the Postmaster-General that the amount of £12,000, which appears upon these Estimates must be materially reduced. The line between Sydney and Cobar, which the honorable member for Darling wishes to see constructed, would, I suppose, form part of the connexion which it is proposed to make between New South Wales and South Australia.

The CHAIRMAN.—I would point out to the honorable member that there is no money provided upon the Estimates for that purpose.

Mr. HENRY WILLIS.—There is a proposed appropriation under "additions, new works, and buildings."

The CHAIRMAN.—That was for last year. I would point out that the amendment was submitted for the purpose of indicating to the Government that they should not proceed with the construction of the proposed telephone line between Sydney and Melbourne.

Mr. HENRY WILLIS.—That is so. At the same time, it is impossible to connect Sydney with Melbourne, in the absence of the necessary appliances, and if the proposed vote be decreased by £1 it will constitute an intimation to the Postmaster-General that the expenditure is to be materially reduced. This is merely a technical way of intimating to the Minister that the Committee does not approve of the construction of the line. In the United States of America—the home of electricity—long-distance telephones have proved an immense success, and, judging by the experience of New South Wales, there is very little doubt that this line will pay. Australia is in this respect far behind many other countries that have thoroughly availed themselves of the march of electrical science. Even in Honolulu, nearly every house is connected with the telephone system, while in the outlying

parts use is made of the telegraph wires by means of the condenser system. I hope that the Minister will stand by his guns, and oppose a reduction of the item.

Mr. STORRER (Bass).—I wish to cast an intelligent vote on this question, and am, therefore, sorry that the Postmaster-General has not shown what income the Department expects to derive from this line.

Mr. AUSTIN CHAPMAN.—I have referred to it on two occasions.

Mr. STORRER.—The honorable gentleman said that it was estimated that it would yield 5 per cent. net on the capital outlay. In proposing this expenditure, amounting as it does to something like £42,000, the Minister should have explained at the outset what revenue the Department anticipated to derive from the line, and also the extent to which its construction would probably reduce the telegraphic revenue. Had that been done, we should have been able to give an intelligent vote. It must be admitted that this is a large expenditure, having regard to the means of communication that the people of Sydney and Melbourne already enjoy; but if it can be shown that the line will be a paying concern, I shall have no objection to the item. Ministers in charge of the Post and Telegraph Department are usually very careful in dealing with applications for postal and telegraphic services for outlying districts, although they are entitled to special consideration, and we should carefully consider the position of the smaller States before agreeing to this expenditure, unless it can be shown that the undertaking will be a profitable one.

Mr. PAGE (Maranoa).—By leave of the Committee, I wish to withdraw my amendment, and to submit another.

Amendment, by leave, withdrawn.

Mr. SYDNEY SMITH (Macquarie).—I have listened with considerable interest to the debate on this matter, and must express my surprise that the question of town *versus* country should have been raised. Since the beginning of the present year something like 400 towns have either been connected with the telephone system, or their connexion with it has been approved.

Mr. PAGE.—Only by means of the condenser system.

Mr. SYDNEY SMITH.—We have endeavoured by means of the condenser system to give them a cheap and effective service.

Mr. MAHON.—But nothing has been done for those who are most in need of such a service.

Mr. SYDNEY SMITH.—Judging from the letters in the possession of the Postmaster-General, a great many residents of country districts appreciate what has been done for them even by means of the condenser system or other cheap telephone lines. Let me refer to a service recently granted in the electorate of Wide Bay. A proposal was made to construct a telephone line from Brisbane to Gympie, and it was originally estimated that the work would cost £4,800. The estimated revenue to be derived from the line did not warrant such an expenditure, and I therefore approved of an officer, familiar with the condenser system being sent to Brisbane to ascertain whether that system could not be adopted. The result was that the service was granted, by means of the condenser system, at a cost of a little over £100, and the honorable member for Wide Bay will admit that it is working satisfactorily. It would have been impossible to agree to the construction of a line costing £4,800.

Mr. FISHER.—I am always willing to take anything of the kind, and I admit that the service is very good.

Mr. PAGE.—Why did not the Department agree to connect Jundah and Stonehenge?

Mr. SYDNEY SMITH.—I do not know. I know that the present Postmaster-General is not losing sight of the condenser system as a cheap and ready means of serving sparsely-populated districts. As I have said, no less than 400 towns have either been connected with the telephone system, or their connexion with it has been approved during my term of office.

Mr. FISHER.—The honorable member deserves all credit for that.

Mr. SYDNEY SMITH.—I take no special credit for it. I simply did my duty in insisting on the condenser and other cheap telephonic systems, adopted in some other countries, and a few towns here, being extended to hundreds of country towns—about 400 since the first of the year. During the last session I promised honorable members that wherever possible I would extend telegraphic and telephonic facilities to country districts. I agree that we should give those residing in remote parts of the Common-

wealth the benefit of any system that will tend to lessen their isolation, for we know the disadvantages under which they labour.

Mr. FISHER.—We had to give a guarantee before the Department would erect a trunk line; but no guarantee was asked in connexion with the service extended by means of the condenser system.

Mr. SYDNEY SMITH.—That is so.

Mr. FISHER.—Then let us have lines by means of the condenser system.

Mr. SYDNEY SMITH.—Under the old system a guarantee of £300 a year was asked in respect of a line estimated to cost, say, £2,500, notwithstanding that the revenue derived from that line might amount to £260 per annum. Under the new system, however, the people concerned are simply asked to give a guarantee in respect of interest which the revenue would not be sufficient to meet. I hold that we have no right to call upon the persons concerned to guarantee the whole of the interest upon the expenditure incurred in erecting a telegraph or telephone line, without regard to the revenue which the Department will receive from it. During my term of office I not only varied the departmental practice in this respect; but by means of the condenser system and the use of trees or fences in place of telegraph poles, I did much to extend telegraphic and telephonic facilities to country residents. In these circumstances, I fail to see why the question of town *versus* country should be raised. Residents of rural districts will really be served by the construction of a trunk telephone line between Sydney and Melbourne. I would remind honorable members of our experience in connexion with the construction of a telephone line from Sydney to Bathurst. No one would say that that line was erected solely for the convenience of those living at each end. As a matter of fact, a large number of country towns are connected by means of this through telephone, and have the advantage of speaking, not only with Sydney or Bathurst, but with all intermediate stations. And so with the trunk line from Sydney to Melbourne, the intermediate towns will benefit by its construction. Before approving of the inclusion of this item on the Estimates, I carefully discussed it with the accountant and the departmental electrician, and was thoroughly satisfied from the reports I received that it would be a good paying speculation.

Mr. THOMAS.—Why not connect Broken Hill and Adelaide?

Mr. SYDNEY SMITH.—I shall come to that matter presently. It was then suggested that we might erect a light wire between Sydney and Melbourne, but if that suggestion were adopted we could not make an extension in the future to Adelaide or Brisbane. It is now considered that the first cost will be the cheapest in the long run, and that it is desirable to erect a heavier wire between Sydney and Melbourne, so that in the future—and, I hope, at no distant date—an extension could be made to Adelaide, on the one hand, and to Brisbane on the other. If we had a line between Melbourne and Sydney, all the intermediate stations could be connected, and the subscribers could communicate with various centres.

Mr. PAGE.—Of what benefit would that be to people out on the Barcoo?

Mr. SYDNEY SMITH.—My honorable friend will not say, for one moment, that because country people happen to be connected by railway they should be denied telephonic facilities. Take large centres like Seymour, Wangaratta, Wodonga, Albury, and Goulburn. If this line between Melbourne and Sydney be constructed, the residents of those centres would be able to "cut in" and talk to various centres.

Mr. WILKINSON.—But they are already provided with a telegraphic service.

Mr. SYDNEY SMITH.—My honorable friend must admit that the telephone is an advance upon the telegraph. We have a right to grant the facilities which people prefer to have.

Mr. PAGE.—Let some of the out-back people have the out-of-date arrangement.

Mr. SYDNEY SMITH.—Let it not be thought for a moment that I am against the granting of such facilities to country residents.

Mr. PAGE.—The honorable member is arguing against it all the time.

Mr. SYDNEY SMITH.—No; the records of the Department will testify to the contrary. I am quite prepared to take my physic like any one else, but when honorable members say that this proposal involves the question of Sydney and Melbourne, as against the country districts, I join issue with them, and say that the erection of the line would be a great convenience to the persons resident in intermediate centres.

Mr. PAGE.—Every one in the Committee agrees with the honorable member, but the people in the way-back places want facilities, too.

Mr. SYDNEY SMITH.—I quite agree with my honorable friend. Allowing for the loss on telegraph messages, this line is estimated to give a return of 5 per cent., otherwise the return is estimated to reach 10 per cent.

Mr. STORRER.—What would the working expenses be?

Mr. SYDNEY SMITH.—The working expenses could not amount to a large sum. A staff is maintained at Melbourne and Sydney, and at nearly all the intermediate places, like Wagga Wagga, and, therefore, it would not be necessary to employ many additional hands.

Mr. PAGE.—Would not the line have to be maintained?

Mr. SYDNEY SMITH.—Between Sydney and Melbourne, the same staff is employed to look after the telegraphic and telephonic services. The employment of one or two additional hands for this line would not entail a large expense. Under the condenser system, telegraph wires are used for telephonic purposes. If we had a metallic circuit between Sydney and Melbourne, on the same principle, and it were found necessary to increase the telegraphic facilities between the two points, the telephone wires could be used for telegraphic as well as telephonic purposes, at very little expense indeed.

Mr. PAGE.—Would it not introduce an element of confusion?

Mr. SYDNEY SMITH.—No; because the telegraphic wires in many places are used simultaneously for telegraphic and telephonic purposes. There would be no possible risk in so using the special line between Sydney and Melbourne.

Mr. CAMERON.—Could not the present telegraph wires be used for telephonic purposes?

Mr. SYDNEY SMITH.—Only on a day when there was not much traffic. On a quiet Sunday I spoke from Sydney, on important business, to one of the officers of the Department at Melbourne, and the experiment was very satisfactory. The question of country extension is not involved in this proposal. I feel sure that the Committee will sanction any fair and legitimate expenditure for the purpose of giving telephonic communication to country towns.

Mr. FISHER.—What objection is there to carrying out this proposal on the guarantee principle?



Mr. SYDNEY SMITH.—What necessity is there to resort to that method when it can be seen from the returns that the line would pay?

Mr. CAMERON.—We cannot believe the returns.

Mr. SYDNEY SMITH. — We have only to use our common sense to realize that a telephone line connecting Sydney and Melbourne, and serving all the large towns between those points, must be a paying speculation. I remember that when I was discussing the matter with the electrical engineer here, he said that he would not mind investing some money if it were a commercial undertaking.

Mr. FISHER.—We always hear that sort of remark when a thing is being mooted.

Mr. SYDNEY SMITH. — I have not formed that opinion of our public officers. I believe that, as a rule, public officers are very keen critics, and try to advise a Minister in the right direction. They are paid to perform a public duty, and have a right to express an honest opinion.

Mr. PAGE.—They are frequently advocates of the policy of doing nothing.

Mr. SYDNEY SMITH. — A Minister should encourage his officers to furnish him with a true and honest report, and if he disagrees with a recommendation he must take the responsibility of his action. I believe this expenditure is quite justifiable, because it would be reproductive, apart from the fact that the line would connect two large centres, and would enable the Government to connect Melbourne with Adelaide and Sydney with Brisbane, and possibly to connect many other centres, such as Gympie with Sydney, and even Melbourne.

Mr. PAGE.—Will the honorable member tell us why, when he was Postmaster-General, he did not consent to the construction of a telephone line between Broken Hill and Adelaide?

Mr. SYDNEY SMITH.—I am afraid that the Chairman would rule me out of order if I were to discuss that question. I will leave the honorable member for Barrier to answer it. I trust that the Committee will consent to the proposal under consideration.

Mr. CAMERON (Wilmot).—I intend to support the amendment of the honorable member for Maranoa, believing that a guarantee should be obtained. I wish particularly to remind the Government that on Friday I gave notice of an amendment to

test the principle whether post-offices should be constructed by means of a charge upon the State or on a *per capita* basis. I wish to know when I am to have my opportunity.

Mr. AUSTIN CHAPMAN.—The honorable member can test the question when we are taking the Western Australian votes.

Mr. CAMERON.—That must be distinctly understood.

Mr. AUSTIN CHAPMAN.—Certainly.

Mr. KENNEDY (Moir).—On Friday I asked for the postponement of this item in order to have an opportunity to make inquiries and to read the official reports. I do not share the feelings of those who have expressed a fear that the construction of this work will interfere with the extension of telephonic communication in the country districts. As far as I can judge, it will be a profitable undertaking, and it also offers the possibility of the extension of telephones to intermediate stations. But I wish to direct the attention of the Postmaster-General to this point. He is aware that numerous applications are made to the Department for telephonic and telegraphic communication in the country districts. In the case of applications from some parts of my district that are pretty well settled, the people interested are not able to get any satisfaction from the Department. As far as I can learn, when such applications are made a report is furnished, showing that from the departmental point of view there is no justification for undertaking the work. In one or two cases the applicants have inquired what guarantee is required by the Department. These applications have not elicited a reply. That is not justice, and it is not business. Where people are prepared to put down the money the Department does not deal fairly with them in pigeon-holing their application. With regard to the work under discussion, while it may lead to a decrease of telegraphic business, I do not look upon that as material, because the telephone caters for a class of business that is not generally done by telegraph. But what I fear will happen is this: When a profit is shown on the trunk line a demand will be made for the reduction of the rate, and the Postmaster-General will be too plastic in the hands of the applicants. In the estimate furnished to us no account is taken of the wearing out of the poles, and of the cost of repairing or reconstructing the line at some future date. Nor are such facts considered when applications are made to reduce the rate.

Mr. WILKINSON.—We are told that the profits are to go towards the extension of country lines.

Mr. KENNEDY.—There is no hope under our system of administration of making a profit. Has a profit ever been made out of our railways or our Post Office?

Mr. McCAY.—There may be a profit on a section.

Mr. KENNEDY.—As soon as there is a profit on a section, there is a clamour for the reduction of the rate.

Mr. McCAY.—When the rates are uniform that cannot happen.

Mr. KENNEDY.—I fear that, by the reduction of the rate, a profit will be prevented, with the result that the loss so occasioned will be used as an argument against the extension of the telephone system to remote districts. The estimate in this case is 6s. for three minutes' conversation. As soon as it can be shown that there is a profit, after paying interest and maintenance on the line, there will be a demand to reduce the rate to 4s. The fact that the reduction of the rate has caused a loss will be lost sight of when applications are made to connect remote places with intermediate stations on the trunk line. I am perfectly satisfied, however, after the inquiries I have made, that there is ample justification for this expenditure, and that, so far from hampering the extension of telephone facilities to intermediate stations, it will increase the possibility of such connexions being made.

Mr. WILKS (Dalley).—The view that I take of this proposal is that, as many of the principal cities of the world are connected by telephone—as there are telephone lines between Paris and Berlin, and Chicago and New York, for instance—it is high time that Melbourne and Sydney were connected in the same way. But the point about which I particularly wish to speak is this: Compliments have been paid to the present Postmaster-General and the ex-Postmaster-General on the use of the condenser system, which has enabled telephones to be extended to remote districts at a cheap rate. The old system was prohibitive, but the condenser system has reduced the cost considerably. That is complimentary to the ex-Postmaster-General, because he seized upon the idea, and it is a further compliment to the present Postmaster-General, who has seen the wisdom, from a business stand-point, of continuing the system.

Mr. FISHER.—The system was initiated in Tasmania.

Mr. WILKS.—The departmental officers have been complimented to-day; but it must not be forgotten that while, for many years, this system has been known and utilized in the old world, the taxpayers of Australia in the pre-Federal days, and also in Federal days, have been deprived of its advantages, through the negligence, to say the very least, of those officers who have thus caused large sums of money to be ruthlessly expended in the construction of telephones under the old system. I should like to hear either the ex-Postmaster-General or the present Postmaster-General explain this apparent neglect or want of knowledge on the part of departmental officers.

Mr. FISHER.—The system was applied in Tasmania years ago.

Mr. WILKS.—But it was not applied on the mainland.

Mr. THOMAS.—The departmental officers on the mainland said that the system was impossible, while it was actually in operation in Tasmania.

Mr. WILKS. — This is no personal matter with me, because, so far as I can remember at the present moment, I am not acquainted with any of the officers concerned; but, in my opinion, this is the time to ventilate what is really a serious charge.

Mr. FISHER.—Remit the question to a committee, and ascertain whether the condenser system is effective.

Mr. WILKS.—Such occurrences tend to make one look most carefully into the statements of departmental officers. If the neglect be proved, or admitted, the officers should receive a severe "jacketing," if no further punishment, from the Postmaster-General.

Mr. THOMAS (Barrier).—I rise to support the proposal to erect the trunk telephone line between Melbourne and Sydney, and to express the hope that the amendment will not be accepted. As the representative of a country district, I am opposed to guarantees being asked for in such districts; because, in my opinion, the Postmaster-General, or the Department, should decide whether a telephone line should or should not be provided.

The CHAIRMAN.—That matter may be dealt with on another item.

Mr. TUDOR (Yarra).—I am sorry that the question town *versus* country has been

introduced into this discussion. If I remember rightly, I was one of the first, if not the first, last Friday, to ask for additional information on this proposal before I, as a metropolitan representative, would be prepared to vote. The Postmaster-General has assured us that according to the departmental officers this proposed trunk line will pay, but honorable members representing country districts say that the officers are wrong in their estimate—that they have probably exaggerated the amount of revenue which will be obtained. Many honorable members, however, have from time to time said that the departmental officers have under-estimated the amount of revenue which would be obtained from proposed country telephone lines, and have used that as an argument why no guarantee should be exacted. I know that if an ordinary citizen in Melbourne or suburbs desires to have his place of business connected with the telephone system, and there is no line running past his premises, he is compelled to pay two years' rental in advance. It appears to me that the Department is only applying the principle which has been advocated by honorable members. I believe that the reports of the officers are correct, and I trust that honorable members will agree to the item.

Mr. PAGE (Maranoa).—I resent the remarks of the honorable member for Yarra. The honorable member ought to quote the remarks which he says I made, because I feel sure that I never made them. "What is sauce for the goose is sauce for the gander"; and if small communities and private individuals are called upon for guarantees, the same rule should hold good in the case of large communities. In an out-back electorate, if telegraph or telephone facilities are desired, the municipal council, the shire council, or the divisional board is called upon, not to give a written guarantee, but to put down actual cash. If regulations are made, they ought to be applied impartially to large communities and to small and scattered communities. The honorable member for Macquarie, when he became Postmaster-General, promised to do anything and everything for the people in the country, and I, like the fool I am, took him at his word. We have been told the same tale year in and year out by successive Ministries; and yet the ex-Postmaster-General has the effrontery to now say, "I have done more

for the country than any other Postmaster-General." I admit that the ex-Postmaster-General has done much in connexion with telephone communication by means of telegraph lines; and if the condenser system is so effective, why not try it on the proposed line, and save £30,000 or £40,000?

Mr. TUDOR.—The line is too long.

Mr. PAGE.—Then let there be short circuits. If the condenser system is good enough between Gympie and Brisbane, it ought to be good enough between Melbourne and Albury.

Mr. TUDOR.—We cannot reduce the distance.

Mr. PAGE.—Anything can be done in these days, and my suggestion could be carried out by means of stations with stronger batteries. If it is such a good system as the late Postmaster-General has claimed, let it be applied to this line. I have no opposition to the line merely because it is between Sydney and Melbourne, but I think this proposal should be treated in the same way as are others of the same kind. I would ask every representative of a country district to demand that the same conditions should be carried out in connexion with this line as would be insisted on if they applied for a line in their own electorates.

Mr. FISHER (Wide Bay).—I think that the late Postmaster-General did good work in extending the condenser system. There were officers in the Department who had undertaken work of this kind to enable telephonic facilities to be given, especially in Tasmania, at less expense than they could otherwise have been provided for. That the honorable member for Macquarie, while officially connected with the Post and Telegraph Department, extended that system is to the honorable gentleman's credit. I hope that it will be further extended. No doubt all officials are, to a certain extent, conservative, and every expert naturally desires that the service inaugurated by him shall be the best in the world. But conditions in Australia are quite different from those existing in older countries where there are large centres of population at short distances apart. We have here a sparsely populated country, and our people have greater need of telephonic and telegraphic facilities than those in older and more thickly populated countries. We must economize, and must endeavour to give the fullest facilities we can with the money at our command. For that reason, I think

that the condenser system should be availed of to the fullest possible extent. At the same time, I do not contend that it is practicable to apply this system to telephonic communication between Sydney and Melbourne.

Mr. PAGE.—The honorable member for Macquarie says it is.

Mr. THOMAS.—Who is to pay for it?

Mr. FISHER.—The honorable member for Barrier seems exceedingly anxious to have this communication provided, whether it pays or does not.

Mr. THOMAS.—I am going by the report which says that it will pay.

Mr. FISHER.—There is a great deal to be said for the contention of the honorable member for Maranoa, that there should be only one system throughout the Commonwealth in these matters. I know that when I ask for telephonic communication, the Minister peremptorily demands a guarantee.

Mr. THOMAS.—I am against that.

Mr. FISHER.—That may be so, but the honorable member does not happen to be Postmaster-General. If he were, and then said that he was against guarantees, the position would be altered.

Mr. THOMAS.—It is for this House to decide whether guarantees shall be demanded or not.

Mr. FISHER.—The honorable member must be aware that it is the Minister who decides where a guarantee shall be demanded, and there is no appeal from him.

Mr. THOMAS.—If this House were to say there should be no guarantee demanded, does the honorable member mean to say that the Minister would ask for one?

Mr. FISHER.—The Minister would then be in a position to say: "We have no money to build this line."

Mr. THOMAS.—That is another question.

Mr. FISHER.—It comes to practically the same thing.

Mr. TUDOR.—That would put country districts in a still worse position.

Mr. FISHER.—Do not honorable members see that the effect would be the same? We have heard very little of any agitation in Melbourne or in Sydney for this telephonic communication. Who are the persons who have deputationized the Government on the matter? Who are the people who have appealed to Parliament by petition or otherwise for this convenience for Sydney and Melbourne? We have heard nothing of them. There can

be no doubt that those who have had the administration of the government of the Commonwealth have had the interest of these great cities at heart. We have had evidence of that in more than one contract and in more than one proposal which has come before this Parliament. I am entirely in favour of telephonic communication wherever it can be shown to be advisable; but I think that the evidence submitted in support of this proposal is insufficient to warrant its being carried out without a guarantee. The two great cities of Melbourne and Sydney should not find it difficult to comply with conditions which are imposed on very much smaller centres of population, where one would expect that the people would be less able to show that telephonic communication would be likely to prove profitable.

Mr. FULLER (Illawarra).—I rise to support the proposal of the Postmaster-General for the establishment of telephonic communication between Sydney and Melbourne. So far as a guarantee is concerned, I think I am correct in saying that even in country districts, where it is thought that a telephone will pay, it has been provided without a guarantee.

Mr. PAGE.—That is not my experience.

Mr. FULLER.—I am giving my own experience. Shortly after the establishment of Federation I made an application for telegraphic communication between Wollongong, the great coal centre of the Illawarra district, and the metropolis of Sydney. The officers engaged to report on the line estimated that it would cost £3,100, and I was asked by the then Postmaster-General, Senator Drake, to put down a cash guarantee of £750. The trouble in providing a guarantee of that sort is to say who is to put his hand into his pocket to find the money. What is every one's business is no one's business.

Mr. THOMAS.—Can the honorable and learned member for Illawarra deal with guarantees now? You, Mr. Chairman, ruled me out of order when I did so.

The CHAIRMAN.—I understand that the honorable and learned member for Illawarra merely wishes to say that, instead of insisting on a guarantee, the Department, in the case to which he alludes, ultimately instituted a telephone on the condenser system. Any discussion as to the advisability of requiring a guarantee for the proposed trunk line between Sydney

and Melbourne would be out of order on this item, as anticipating the discussion on item No. 7.

Mr. FULLER.—I am merely answering the honorable member for Maranoa, and trying to show that in some instances telephone lines have been erected in country districts without a guarantee being required. In the case to which I am referring the colliery proprietors of the district were prepared to put down £250 of the £720 asked for, but it was impossible to get the balance. When the honorable member for Denison became Postmaster-General I submitted the matter to him, and he, after consultation with his officers, reduced the guarantee to £425. It was impossible, however, to raise that amount; but subsequently, when the honorable member for Macquarie became Postmaster-General, and I again submitted the matter, he was able to authorize the granting of communication by means of the condenser system, at a cost of £65, instead of the £3,100 which was the amount of the original estimate for erecting a separate wire. The present arrangement is so good that, in speaking the other day from Sydney to the Mayor of Wollongong, at a distance of fifty-three miles, I found that I could hear and be heard as easily as when speaking through my own telephone at Neutral Bay to another subscriber on the central exchange. I know of other similar instances in my own constituency, and in those of other honorable members, in which the late Postmaster-General did all that he could, when a proper case was made out, to increase telephonic communication in country districts.

Mr. FISHER.—In my constituency a line on the condenser system, 100 miles in length, answers very well indeed.

Mr. FULLER.—The present Postmaster-General is extending the telephone connexion from Wollongong to Kiama, another twenty-five miles, with a view to a further extension to Jervis Bay, if the Kiama connexion be a success. As honorable members know, telephonic communication between Jervis Bay and Sydney would be of great service for defence purposes. In connexion with the erection of a telephone between the silver mines at Burragorang and Sydney, trees were in many cases used instead of poles to carry the wire. In years gone by, as has been pointed out by other honorable members, the departmental officers always tried to carry out public

works in the best style possible, so that they might be pointed to with admiration; but the last Postmaster-General got away from the old system, and deserves great credit for the economy which has thus been effected. The present Postmaster-General, who also represents a country constituency, and understands the wants of the pioneers and producers of the interior, will, I feel sure, carry on the good work of his predecessor. The proposed telephone between Sydney and Melbourne must be looked upon purely as a business concern. The only question to be asked concerning it is, Would the line pay? If the Postmaster-General has satisfied himself on that head, I feel sure that we ought to support the proposal, and every honorable member who has gone into the matter must be of the opinion that the line would pay.

Mr. AUSTIN CHAPMAN (Eden-Monaro—Postmaster-General).—I wish to inform the Committee that the most complete investigation of this proposal shows that, after allowing for possible loss of telegraphic receipts, amounting to, say, £1,900 a year—

Mr. SYDNEY SMITH.—The amount is an unknown quantity.

Mr. AUSTIN CHAPMAN.—Yes, and it must be remembered that the telephone picks up business which is not done by the telegraph, as a rule. After making that allowance, we expect to obtain a net profit of over 5 per cent. from this work, which makes it a good business arrangement. With regard to the demand that a guarantee should be asked for, I would like to know from whom a guarantee could be required?

The CHAIRMAN.—That question can be discussed only under item No. 7.

Mr. AUSTIN CHAPMAN.—As honorable members may think that too much reliance is being placed upon the departmental estimate, I would point out that, after the telephone line from Geelong to Melbourne was opened in 1899, it returned only £129 2s. per annum, but the revenue has gone on increasing, until, in 1904, it amounted to £1,661 11s. 2d. The Ballarat to Melbourne line was opened in 1899, and in five years its revenue grew from £811 17s. 3d. to £1,821 9s. 3d. The Bendigo to Melbourne line was opened in 1900, and its revenue has grown from £505 11s. per annum to £1,259 10s. 2d. last year. Those figures are convincing evidence of the fact

that as soon as the public realizes the convenience of these telephones their use increases by leaps and bounds.

Mr. MAHON.—Has not the expenditure upon these lines increased in the same ratio as the receipts?

Mr. AUSTIN CHAPMAN.—How could it do so? The honorable member appeared to maintain that if the proposal to connect Sydney and Melbourne by telephone were agreed to, the vote for country telephones would be starved, but that is not so. If the honorable member will look at last year's Estimates, he will see that in every State last year we had plenty of money in hand, and, as a matter of fact, the general complaint in this Chamber was that it was not being expended.

Mr. THOMAS.—I asked for a small telephone line, and I did not get it.

Mr. AUSTIN CHAPMAN.—I am assured by the officers of my Department that there is plenty of money for carrying on these services.

Mr. PAGE.—I shall be round at the Minister's office to-morrow.

Mr. AUSTIN CHAPMAN.—If honorable members can suggest extensions which are likely to pay as well as the line between Sydney and Melbourne will pay, I think there will be no difficulty about getting them carried out. Reference was made by the honorable member for Coolgardie to a telephone line to Black Range. The erection of that line has been estimated to cost £4,920, while the revenue would be only £168, leaving a shortage of £577.

Sir JOHN FORREST.—But the estimate of cost is terribly high.

Mr. MAHON.—Yes, for the erection of 100 miles of wire. I received a lower estimate than that. The Postmaster-General's figures relate to a telegraph line, whereas a telephone line would be sufficient.

Mr. AUSTIN CHAPMAN.—I can only give the Committee the figures which are supplied to me. The Treasurer says that the estimate is too high. Since I became Minister I have had to refuse one or two requests which I pressed upon the Department when a private member. An application was made by honorable members from Western Australia for a telephone service at Fitzroy River, which would have involved an expenditure running into thousands of pounds, whereas the revenue would probably not have amounted to even hundreds of pounds. There is no money available for the con-

struction of such lines. A guarantee could not be given in the case of the proposed trunk line between Sydney and Melbourne, because the Department took up the work of its own accord. It was thought that a good chance was presented to make money, seeing that additional means of communication were required between two great cities. The officers, after making the most careful inquiries, came to the conclusion that the line would pay, and that revenue would be derived that would probably enable the Department to spend money in providing telegraph and telephone services for other places. Some question has been raised with regard to the expenditure *per capita* upon new works in the different States, and I should like to point out that neither New South Wales nor Victoria will be starved from that stand-point. I find that of the amounts provided for new telephone and telegraph works, New South Wales will get £7,233; Victoria, £16,807; Queensland, £8,314; and Tasmania, £3,119, under the *per capita* proportion. South Australia is allotted £2,842, and Western Australia will get £32,631 above the *per capita* proportion. I have no objection to that, because I think that if these works are necessary, they should be constructed. As was remarked by the honorable member for Coolgardie, in a State like Western Australia, where new mining centres are springing up, new lines must be constructed and new buildings erected. I think that if the law of averages is allowed to operate, there need not be very much difficulty in connexion with the *per capita* distribution of expenditure. Honorable members referred to a number of other matters, particularly to the guarantees required in connexion with the construction of country telephone wires. I should like to say that the Department have to pursue a cautious policy in regard to the extension of telephone services, because, if we did not look carefully into the proposals, we should very soon land ourselves in a financial muddle. When honorable members speak of what was done in Western Australia a few years ago, they appear to forget that the State Government then had large loan funds at its disposal, whereas we have to construct all works out of revenue. If the Post and Telegraph Department is to be run on commercial principles—I admit that the question whether it should be so administered is open to debate—it will be difficult to carry out works that offer no prospect of becoming remunerative. As I explained last

week, our policy is not to adhere to any hard-and-fast rule with respect to guarantees, if it can be shown that there is some reasonable prospect of the proposed line becoming a paying concern. If we find that we are likely to incur a small loss on lines which it is highly desirable to construct, whilst we can assure ourselves of a profit in connexion with others, such as the proposed trunk line between Melbourne and Sydney, we can strike an average, and make the profitable line recoup us for the losses which we incur upon such services as have been referred to by the honorable member for Maranoa.

Mr. MAHON.—Will the Minister say whether he would be prepared to approach the Western Australian Government and ask them to allow these works to be constructed out of surplus revenue and charged as expenditure incurred prior to Federation?

Mr. AUSTIN CHAPMAN. — That course has been advocated; but I think that if we approached any State Government and asked it to consent to our withholding from it any larger sum than we now retain it would not receive the request favorably. The Government must take into consideration the finances of the States in order to avoid seriously embarrassing the States Treasurers.

Mr. MAHON.—But it is optional with the Commonwealth Government to appropriate the surplus revenue.

Mr. AUSTIN CHAPMAN.—Perhaps so; but we must be careful to move slowly in a matter of that kind, lest we embarrass the States. If honorable members will turn to last year's Estimates they will see that there is no necessity to adopt the course suggested, because in many cases not more than 40 per cent. of the money voted was expended. All that the Department desire is to look at these matters from a reasonable commercial stand-point. If they do not consider that a line is likely to pay from the outset they ask for a guarantee from those interested. The amount of the guarantee was considerably reduced by my immediate predecessor, and also, I believe, by the honorable member for Coolgardie, and there is every desire to carry out these works as far as possible.

Mr. THOMAS.—If the works are constructed they will find work for the people.

Mr. AUSTIN CHAPMAN.—I am in favour of finding work for the people; but

I desire that it shall be profitable work. With regard to the suggestion of the honorable member for Darwin that the wireless telegraphic system should be resorted to in order to establish communication with King Island, I can only say that we are very carefully considering the question of making use of that system, and that there is no reason why we should not make an experiment in the direction the honorable member suggests if we can do so at reasonable cost. We shall, however, have to select our localities with a view to economy. I was sorry to hear the honorable member for Moira say that a number of applications sent in by him had been pigeonholed, and that he could get no reply to an offer by some residents in his district to give a guarantee in connexion with the construction of a telephone line. I can assure the honorable member that if he will supply me with particulars of the case to which he refers a reply shall be sent. Wherever there is any prospect of a line proving payable we are prepared to accept a guarantee from those interested in it. In some cases, however, we cannot accept a guarantee. For instance, if we were asked to construct a telephone line, and the officers reported that it was never likely to pay, we could not accept a guarantee. We cannot obtain indefinite guarantees, and we do not think that we are justified in incurring liabilities which are likely to prove a burden to the community generally. I need hardly say that the other matters to which honorable members have referred will receive my careful attention. With regard to the contention that telephonic communication between Melbourne and Sydney should be established on the condenser system, I would point out that the officers report that that would not be practicable because the distance is too great.

Mr. CULPIN (Brisbane).—I have no desire to prevent the construction of any telephone line which is likely to prove remunerative. At the same time, it seems very unfair that the expenditure upon these works should be charged upon a *per capita* basis, seeing that the respective States in which they are erected alone benefit by the revenue derived from them. In passing, I may mention that in Queensland the condenser system was in vogue prior to Federation. The Engineer of Telegraphs, Mr. Hesketh, I believe, had developed that system very considerably there. I know

that persons who were called upon to use the telephone some six or ten miles out of Brisbane often experienced a good deal of trouble as the result of the operation of the condenser system, which has now been extended to the other States. Whilst that system is better than nothing, it is far from being perfect. I am sure that if we can obtain a perfect service, without resort to the condenser system, we shall be glad to use it. In the meantime communication by means of the latter system is better than no means of communication at all.

Mr. KELLY (Wentworth).—After the touching appeal by the Postmaster-General to honorable members in the corner, I am very glad to support him in opposition to their demands. The main trouble this afternoon seems to be connected not so much with the question raised by the honorable member for Maranoa as with that which was mentioned by the honorable member for Coolgardie. I refer to the proposed telegraph line to Black Range. For a time it seemed as though we should experience considerable difficulty in solving the problem presented to us. The Postmaster-General, however, with his usual readiness, discovered an original way of overcoming the trouble. He suggested to the Treasurer that his well known love for Western Australia might enable him to devise some means of surmounting the difficulty created by the departmental insistence upon the 10 per cent. deposit. I understand that the cost of the line in question would be about £5,000, so that a deposit of 10 per cent. would represent only a very small contribution on the part of the State to which the right honorable gentleman owes so much. Honorable members in the corner, who object to the payment of the sum of £4,000—

Mr. PAGE.—To which "corner" does the honorable member refer? There are no members of the Labour Party in the "corner." We are all in the open.

Mr. KELLY.—I am referring to those honorable members who have addressed themselves to this question. But honorable members there are not always in the open. The original complaint against allocating various sums to lines such as that upon which it is proposed to expend £4,000 came from members of the Labour Party, who desire—before these lines are built—the develop-

ment of their own districts by telephonic communication. I wish to point out that the Treasury is not a milch cow. It cannot undertake to provide money for lines which are not likely to prove remunerative. It has been shown that this line will return 10 per cent. upon its capital cost from the outset, or 5 per cent. after allowing for the decreased revenue which will be derived from the telegraphic lines with which it will compete.

Mr. FISHER.—Some of us have heard that statement before.

Mr. KELLY.—The assertion has been made by responsible Ministers. Do honorable members in the corner mean to tell me that the present Postmaster-General is not responsible? Surely those who advocate Socialism so strenuously should welcome an investment by the State which will yield so good a return as 5 per cent. I wish to appeal to the patriotic spirit of those honorable members who have raised all the fuss this afternoon. Let them consider for a moment what would happen to any democracy in which the desire of every representative in Parliament was to obtain from the Treasury as large an expenditure as he could upon the district which elected him. If such a state of things became common in any democracy, every honorable member would be elected solely on account of what he could secure from the Treasury. Similarly, every Ministry would be chosen on account of what it could give to honorable members. As a result, within a very short period, we should experience that national bankruptcy which has always been associated with the views of my friends in the corner. Having made these few conciliatory remarks, I do not propose to say anything further in regard to the proposed line between Melbourne and Sydney.

Mr. PAGE (Maranoa).—In listening to the little lecture which has just been delivered by the honorable member for Wentworth, as to what honorable members desire on behalf of their own constituents, I was very much amused. There is no doubt that he is a true representative of Sydney.

AN HONORABLE MEMBER.—The honorable member himself is not a bad representative of Queensland.

Mr. PAGE.—If I do not voice the opinions of my own constituents, I am certain that the honorable member for Wentworth will not do so. I do not object to the proposed expenditure upon this line, but I contend that it should be placed upon



the same plane as other lines throughout the Commonwealth. I therefore move—

That the item, "New South Wales, portion of trunk telephone line between Sydney and Melbourne, £19,000," be amended by inserting after the word "Sydney" the words "to be built on the guarantee principle."

Question—That the words "to be built on the guarantee principle" proposed to be inserted in item 7, subdivision 1, be so inserted—put. The Committee divided.

Ayes	...	...	11
Noes	...	...	30

Majority	...	...	19
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**AYES.**

Cameron, D. N.	Storrer, D.
Culpin, M.	Thomson, D. A.
Fisher, A.	Wilkinson, J.
Mahon, H.	<i>Tellers:</i>
McDonald, C.	Crouch, R. A.
Poynton, A.	Page, J.

**NOES.**

Carpenter, W. H.	McCay, J. W.
Chanter, J. M.	Ronald, J. B.
Chapman, A.	Skene, T.
Conroy, A. H. B.	Smith, S.
Deakin, A.	Spence, W. G.
Forrest, Sir J.	Thomas, J.
Frazer, C. E.	Tudor, F. G.
Fysh, Sir P. O.	Watkins, D.
Glynn, P. McM.	Watson, J. C.
Groom, L. E.	Webster, W.
Isaacs, I. A.	Wilks, W. H.
Kelly, W. H.	Willis, H.
Kennedy, T.	<i>Tellers.</i>
Lee, H. W.	Cook, J. N. H.
Liddell, F.	Fuller, G. W.
Mauger, S.	

**PAIR.**

Bamford, F. W.	Edwards, G. B.
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(Question so resolved in the negative.

Motion negatived.

Mr. CONROY (Werriwa).—I presume that honorable members, when they voted to secure the application of the guarantee principle in this case, were simply entering a protest against the action of the Department in requiring a guarantee from the applicants for telephone lines in country districts. If so, I thoroughly appreciate the reason which influenced their votes. I feel that if a line should be constructed, the Department ought not always to ask for a guarantee from the applicants. But if we intend to construct all these lines out of revenue, we shall have to wait a very long time indeed before many necessary works can be constructed. It is not quite fair to debit the whole cost of a line against one year's revenue, when

possibly it would pay for itself in the course of eight or ten years. I think it is the duty of the Ministry of the day to see what amount they could properly expend in this direction each year. Are we to wait until the revenue is sufficient to enable us to construct all the lines which are needed, or are we to deal with certain lines, and borrow the necessary money for their construction? In this particular case, we are asked to appropriate the sum of £19,000 out of this year's revenue, and we have the assurance that the line will pay for itself in about ten years. I am told that, after allowing for the interest on the outlay and the cost of working expenses, the return will be about 10 per cent. If that estimate is at all reliable, it does seem ridiculous that the whole cost of the line should be charged against the revenue for this year, because in so far as we pursue that policy, so much the less money shall we have to spare for granting telephonic communication elsewhere.

Mr. WEBSTER.—Does the honorable member suggest that a loan should be raised for this purpose?

Mr. CONROY.—Certainly. If there be a number of works which, if constructed, would yield a return of 10 per cent., it is certainly very foolish on the part of the Commonwealth to delay the raising of a loan, because otherwise we might have to wait a very long time indeed for such works to be constructed.

Mr. BAMFORD.—This year the Commonwealth will return a surplus of £400,000 to the States.

Mr. CONROY.—It is high time for the Parliament to reconsider its determination on this point. We all know that it is highly unpopular at the present time to talk about borrowing money, but the real objection is not to the raising of a loan, but to the application of the money. If in past times States Parliaments have applied loan money badly, that is a very good ground indeed for condemning their action; but it is not a good ground for objecting to all future loan proposals. We are rapidly approaching a time when we will have to consider whether we ought not to raise a loan to carry out works necessary to the development of the Commonwealth. During the last three or four years, the construction of many necessary works has been delayed, simply because we have declined to consider any proposition in this direction. Judging from the present feeling of honorable members, there does not appear to be

much prospect of a Loan Bill being passed by this Parliament. It seems to me, however, that such a measure will be necessary, and that there could be no objection to it if we made provision for a reasonable sinking fund. If we are going to defer the carrying out of many urgent works until the necessary funds can be provided out of revenue, very great delay must occur. The position is, that whilst we are refraining from borrowing, the States Governments are not exercising that great care of their finances that many would desire, and that we cannot prevent them from floating whatever loans they please. They may go on squandering the whole of the real assets of Australia, and yet the Commonwealth is not to raise a loan in order to carry out many services urgently required in connexion with the Postal and Telegraph Department. Why should we delay to construct works that are estimated to yield a good return? The officers of the Post and Telegraph Department assure us that there are many proposed works that would earn up to 7 per cent., and even 10 per cent., on the capital expenditure, and yet, owing to lack of funds, we cannot carry them out.

Mr. BAMFORD.—Estimates are often wrong.

Mr. CONROY.—That must always be so, but, in the majority of cases with which we are called upon to deal, we can make sure that, so far as human judgment can go, the Estimates with which we are supplied are reasonably correct. I, therefore, think it is necessary for us to reconsider the whole position, and I hope that before next year's Estimates are submitted, the Ministry may see their way to determine whether our capacity to carry out much-needed works should be limited, as at present.

Sir JOHN FORREST.—We did not expend all that was voted last year.

Mr. CONROY.—In many cases, the apparent savings on votes for telephone lines represent the difference between the cost of copper wire and that of installing the service by means of the condenser system. The right honorable gentleman, as a private member, must be aware of the great difficulty we have experienced in securing either telegraphic or telephonic extensions. Lest it might be inferred that I am recommending the adoption of a loan policy by the Commonwealth Parliament, I think it desirable to explain that, in my opinion, borrowing should not be resorted to unless shown to be absolutely necessary. In view

of the ample returns that some of the proposed works would give, we have to consider whether we shall not have to fall back, to a certain extent, upon a loan policy, on the lines I have indicated. I hope to see such an extension of the telephone system that it will be installed wherever there is a telegraph line. In my own electorate, for example, there are three or four large centres of population doing business for the most part with Goulburn, which might have telephonic communication with that city by means of the condenser system. In the same way, telephonic communication might be established between some of the smaller towns and Yass, Young, Cootamundra, and other places. The cost would not be great, for it would be necessary to use copper wire only in the erection of a few trunk lines. I thoroughly agree with the remarks made by the honorable member for Coolgardie, as to the degree to which settlement might be encouraged by means of the extension of our telephone system, and I hold that it should be our endeavour to connect all country districts in this way. I hope that the Postmaster-General will not hesitate to ask the Committee to pass whatever votes are necessary to give us a full development of the telephone service. During the last three or four years it has been almost impossible to secure any extension of it. In support of this contention, I could cite at least half-a-dozen cases, in addition to those mentioned by the honorable member for Coolgardie, that have occurred in my own electorate, and I dare say that other honorable members could also bring forward instances in which much needed extensions of the system have been refused. I trust that in these circumstances the Postmaster-General will do all that he can in this direction to enlarge the sphere of usefulness of his Department.

Mr. FISHER (Wide Bay).—I do not know what weight the Treasurer attaches to the suggestion made by the honorable and learned member for Werriwa, that we should carry out new works by means of loan moneys; but I desire to say that I am emphatically opposed to such a policy, and trust that the Government will hesitate a long time before agreeing to its initiation. The honorable and learned member's statement that, whilst the Commonwealth was refraining from raising loans to carry out these works, the States were able to borrow, and could squander loan moneys as they pleased, is really an argument in favour of a non-borrowing policy on the part of

the Union. Had we not adopted that policy from the very establishment of Federation, the financial condition of the States would have been very much worse than it is.

Mr. CONROY.—Is not the honorable member confusing "borrowing" with "squandering"?

Mr. FISHER.—The honorable and learned member's political experience is confined to this Parliament; but I have been a member of a State Parliament which was not averse to the raising of loans for public works, and can say unhesitatingly that I have never heard of a proposition, no matter how outrageous, to spend money that was not said by its supporters to be in respect of an absolutely reproductive work. Those seeking expenditure of loan money are always ready to assert that the work to which it is to be devoted is sure to be reproductive, but as soon as the vote has been agreed to a different attitude is assumed. The honorable and learned member has said very truly that a non-borrowing policy has restricted our operations, but I am sure that the late Postmaster-General will agree with me that the works which we have constructed out of revenue have been done, perhaps, 40 per cent. cheaper than would have been the case had they been constructed out of loan money. The condenser system about which so much has been said this afternoon, was introduced really because of lack of funds to erect trunk lines. There is a very old saying that Parliamentary gods very seldom know what revenue there is in economy, and I would remind the honorable and learned member for Werriwa that the system of paying for works out of revenue means economy in administration. Furthermore, I venture to say that the attitude of the Federal Parliament has had a salutary influence on the States Parliaments. I know that the Parliament of Queensland has refrained from borrowing largely on account of that influence. Undoubtedly for some years past the people of my State have had to suffer, and are still suffering, from the non-expenditure of loan money. But within a very few years their position will be infinitely better. They are actually paying their way out of revenue now. I trust that the Government will not inaugurate a loan policy for the Commonwealth, but will proceed cautiously and quietly. I venture to say that to enter upon a borrowing policy would be to reverse the pledges that many of us have given to our constituents. If there is

one thing as to which I have claimed that credit can be given to this Parliament it is that it laid down a non-borrowing policy in its initiation. I trust that that policy will be continued for some years to come. I admit that it is impossible to say just now what the Federal Parliament will do in the distant future. It is impossible to say that money will not be borrowed.

Mr. KELLY.—How would the honorable member propose to pay for nationalizing all the means of production, distribution, and exchange?

Mr. FISHER. — I would deal with every case as it arises. I have heard leading financiers on the Opposition side of the House say that there is no difficulty about transferring property from one to another. It is a mere matter of transferring credit. Indeed, I think I have heard the honorable and learned member for Werriwa say that it did not matter who gets the money, so long as it is kept in the country.

Mr. CONROY (Werriwa).—I am delighted indeed to hear from the deputy leader of the Labour Party that it is possible for a Government to waste money. It is now admitted that, no matter what Government is in power, it is capable of extravagant expenditure.

Mr. MAHON.—The *Age* recently said that taxation was necessary in order to increase wealth.

Mr. CONROY.—I should say that no one outside Yarra Bend would express such an opinion. The honorable member for Wide Bay is mistaken if he thinks that I should advocate borrowing money simply for the purpose of borrowing. I wish to make it clear that I am no advocate of borrowing money when it is not urgently required. But at the same time I think that the principle of refusing to borrow money, under any circumstances, because of the fear of its being squandered, can be carried too far. At the present time there appears to be no necessity for a loan. But if we are to undertake more works, some of them of an expensive character, we shall be unable to construct them out of revenue, and borrowing will be necessary. However, that contingency is not likely to arise until, at any rate, another election has taken place.

Mr. PAGE (Maranoa).—I hope that the Government will not take serious notice of the statement of the honorable and learned member for Werriwa. From what I can judge, he wishes to wreck the Government;

because I can tell them this—that on the very day when they bring forward a loan proposal I walk straight across to the Opposition side of the Chamber. If the Government want to get wrecked, let them propose to borrow, and there can be no possible doubt as to what will happen.

Mr. CAMERON.—What about the Western Australian railway?

Mr. PAGE.—Well, I do not believe in the construction of that railway, and never have believed in it.

Sir JOHN FORREST.—Queensland lived on loans for some years, and did very well.

Mr. PAGE.—I do not know that she did very well.

Sir JOHN FORREST. — How could her railways have been built without loans?

Mr. PAGE.—Railways are not Queensland. The honorable and learned member for Werriwa knows very well that the Treasurer is in favour of loans, and that is why he has made this bid to the right honorable gentleman, to induce him to believe that he will have the support of some of the members of the Opposition. But, as a matter of fact, if any loan proposal were brought forward, the honorable and learned member for Werriwa would take the Treasurer to his bosom and sting him.

Mr. KELLY (Wentworth).—Honorable member after honorable member from the Labour corner has been addressing the Committee on the question of the necessity for economy in the administration of the affairs of the Commonwealth. I earnestly hope that they are sincere in the views which they have expressed; because I must say that in the State from which I have the honour to come the policy of the Labour Party has not led us to believe in their economical aspirations. I am especially glad to hear that the Labour Party is steadfastly opposed to loans, because I understand that one of its main planks is the transfer from private ownership to the State of all the means of production, distribution, and exchange. How is it proposed to pay for those properties?

Mr. BAMFORD.—I rise to order. Is the honorable member in order in discussing the policy of the Labour Party?

The CHAIRMAN. — This discussion would have been more in place on the Budget; but the honorable and learned member for Werriwa introduced the sub-

ject, and of course it is competent for an honorable member to suggest that expenditure should be provided for by loan. But a general discussion on the wisdom of a loan policy is not in order.

Mr. KELLY.—I was about to conclude, when I was interrupted. I can understand that the honorable member for Herbert is anxious to prevent a discussion of the policy of his party on this subject. I hope that the Labour Party will always be as economical as it now professes to be, and will therefore refrain from the Socialistic exploits which its members profess to have in view.

Mr. McDONALD (Kennedy). — The statement that the Labour Party have always advocated public borrowing is made through gross ignorance, or is a deliberate misrepresentation.

Mr. KELLY.—I say that, as to the State from which I come, the statement is absolutely correct.

Mr. WATSON.—It is not correct.

Mr. KELLY.—It is correct.

Mr. ROBINSON.—In New South Wales the Labour Party was responsible for the spending of £17,000,000 of borrowed money in four years.

Mr. KELLY.—That is absolutely true.

Mr. ROBINSON.—I have just heard the honorable member for Bland say that something which I have said is a lie.

The CHAIRMAN.—I ask honorable members to assist me in keeping order, and not to degrade the proceedings of this Committee by hurling interjections across the Chamber. At the time the honorable and learned member for Wannon drew my attention to the fact that something offensive had been said to him, I was about to appeal to him, in the name of his constituency, not to break one of the rules of debate. I did not hear the remark to which attention has been called, but I understand that the honorable and learned member for Wannon complains that something he said has been characterized as a lie.

Mr. ROBINSON.—The honorable member for Bland says that something I said is a lie; and that, I think, is unparliamentary language.

The CHAIRMAN.—If that be so, I ask the honorable member for Bland to withdraw the expression.

Mr. WATSON.—I said that the remark of the honorable and learned member for Wannon, that the Labour Party of New South Wales had spent £17,000,000 of

loan money, is one of the usual Conservative lies; and I do not withdraw that statement.

Mr. ROBINSON.—The honorable member for Bland said that something I said is a lie.

Mr. WATSON.—I did not.

The CHAIRMAN.—Order!

Mr. ROBINSON.—I never said that the Labour Party of New South Wales had spent £17,000,000. What I did say was that that Labour Party had kept in power a Government who spent £17,000,000 of loan money at a time when it could have been ousted by the Labour Party at a day's notice, because the Labour Party were in a majority.

The CHAIRMAN.—As I have already told honorable members, I did not hear what occurred. It seems to me there is a conflict of opinion between two honorable members as to what really was said, and that conflict is a commentary on the difficulty in which honorable members place the Chairman by not observing the ordinary rules of debate. I feel sure that if the honorable member for Bland did make that allegation against the honorable and learned member for Wannon, he would be the first to withdraw it. However, I have the assurance of the honorable member for Bland that he did not make the statement, and I accept that assurance.

Mr. McDONALD.—I am sorry to have raised this hornet's nest, though I cannot feel that I am in any way responsible. I should have not have made the remark I did had it not been for the fact that the honorable member for Wentworth, in one of his attempted funniosities, alleged that the Labour Party are responsible for the extravagant expenditure of large sums of loan money. The inference to be drawn from that remark is that the Labour Party are prepared to advocate loans at any time in order that there may be expenditure in the different States. As I said before, any statement to that effect is made through gross ignorance, or is deliberate misrepresentation. As a matter of fact, the Labour Party have always opposed loan expenditure; and on every occasion I shall resent such statements as have been made by the honorable member for Wentworth.

Mr. ROBINSON (Wannon). — I cordially support the position taken up by the deputy-leader of the Labour Party, the honorable member for Wide Bay. I hope

that the Commonwealth will not indulge in borrowing; and I indorse the statement of the honorable member for Wentworth as to the borrowing policy supported, or connived at, by a section of the party called the Labour Party in New South Wales. I say without fear of successful contradiction, that, while the Lyne-See Government were in power, and Mr. O'Sullivan was Minister for Works, more public money was squandered in the most shocking and shameful way than ever before or since in Australian history.

The CHAIRMAN.—Order! Will the honorable and learned member take his seat? I point out that the honorable and learned member is not now discussing the item under consideration; and, if he will pardon me, I would also say that he is pursuing a line of argument which is not calculated to cause the proceedings in the Committee to be as orderly as they ought to be.

Mr. ROBINSON. — I make these remarks by way of personal explanation, because my accuracy has been challenged. I shall not detain honorable members more than two minutes. I say that that particular Government in New South Wales lived by the grace of the Labour Party, and could not have existed without their support; and, therefore, that the Labour Party was responsible for the expenditure.

The CHAIRMAN.—The honorable and learned member is not now in order.

Mr. ROBINSON.—That is the end of my personal explanation.

Mr. PAGE (Maranoa).—My desire is to move in regard to the Victorian portion of the trunk line, a similar amendment to that which has already been submitted to the Committee on another item, namely, that the words "under the guarantee system" be inserted. I shall not occupy time in discussing the matter; but I point out that this is the only chance I shall have for the next twelve months of expressing my disapproval of the treatment of the country electorates by the Government.

Mr. AUSTIN CHAPMAN. — Why not do that when considering the Estimates-in-Chief?

Mr. PAGE.—In my opinion this is the proper time to do so. I say emphatically that something should be done towards keeping the promises which have been made to us by Governments year after year.

Mr. WILKS.—There is a general election coming!

Mr. PAGE.—A general election is immaterial to me. I do not know how it is with the honorable member for Dalley. I have asked each successive Government questions in regard to this matter, and have always received the promise that it would be looked into; and the Government are still looking into the matter. As it seems, however, to be the wish of the Committee that these items shall be passed, I shall not submit the amendment I indicated.

Mr. McDONALD (Kennedy).—Then I think that I ought to undertake the task of submitting the amendment. I take it that honorable members are practically agreed that there ought to be no guarantee system. In Queensland, owing to the extensive area, it is very difficult in places to obtain telegraphic and telephonic facilities; although, as the Postmaster-General ought to be reminded, if telephonic communication were extended in certain districts it would remove a degree of inconvenience which is hardly appreciated by those who live in closely-settled centres. If this work is to be carried out without a guarantee, the same principle should be extended to every portion of the Commonwealth. If this principle is not to be extended to every other portion of the Commonwealth, there is no reason why it should be applied to telephonic communication between Sydney and Melbourne. These two big cities draw their very existence from the country districts of New South Wales and Victoria, and while we deny telephonic and telegraphic communication between country centres, unless the people interested are prepared to provide the guarantee required of them, it is proposed to provide telephonic communication between Sydney and Melbourne without any guarantee. These two wealthy cities should certainly be able to provide a guarantee. A case came under my notice of an application for telephonic communication between two important mining centres, each having a large population. The applicants were told that the Department must have a guarantee, and when they said they were prepared to give a guarantee they were told that it was a cash guarantee that was required. They had to plank down the money to cover any loss that might arise from the working of the line for three years. After the guarantee required, in this instance, had been given, it was from eight to ten months before the line was constructed. It would appear that the Government now propose

a departure from the principle previously laid down, and before this item goes through I desire to know whether the principle followed in the past is to be definitely abandoned, and whether, in future, applications for telephonic communication in country districts will be granted without a guarantee? If I do not get a promise to that effect I shall divide the Committee on this vote, as I did on the previous vote for the same purpose.

Mr. AUSTIN CHAPMAN (Eden-Monaro—Postmaster-General).—I point out that the Government could not adopt the plan the honorable member for Kennedy asks them to adopt, and if they were to do so, the effect would be to debar many country places from securing telephonic communication. Without a guarantee it would be impossible to provide telephonic communication in many country places. We are quite prepared to help where it is shown that there is a reasonable chance that a telephone line will pay. We could not ask for a guarantee in this instance, because no one has specially asked for this line. It is a proposal put forward by the Department. The officers of the Department, looking into the figures, have come to the conclusion that this would prove a remunerative work, and the Department therefore, wishes to carry it out. To ask a guarantee in support of the estimates of the officers of the Department, would be absurd. They are satisfied that this line will pay, and, in that case, why should we ask for a guarantee? If we were to say that in future we shall do away with all guarantees, the effect would be to deprive many centres of the advantage of telephonic communication. We do not insist on guarantee in the case of country districts, where it can be shown that a telephone line will pay. A guarantee is asked for where it is shown that the request is made for a telephone line which cannot be expected to pay. Under the guarantee system, we now permit people to assist by doing a certain portion of the work required to be done, as, for instance, by the putting up or supply of telegraph poles. The system is worked in such a way as to give every facility which can be given. We are now altering the regulations to meet the people of country districts as far as possible. If honorable members will look at the Estimates for last year, they will find that the sum provided for this purpose

was not expended. There need be no fear that the Department will not have plenty of money to enable it to comply with all reasonable requests of this kind during this year. The responsible officers in each of the States have provided on these Estimates for every reasonable request for telephonic communication. I can promise the honorable member for Kennedy that the Government will carry out the evident wish of the Committee, and will deal very liberally with the people in sparsely-settled districts.

Mr. STORRER (Bass).—I voted against this proposal in the last division; but, seeing that the great majority of the members of the Committee are in favour of it, I shall vote on the other side if a division is called for on this item. I do not believe in preventing the business of the Committee being carried on when a large majority of honorable members have made up their mind that this is a work which ought to be carried out.

Mr. McDONALD (Kennedy).—That is a most extraordinary position for an honorable member to take up. A thing is right or it is wrong. If the honorable member thought this proposal wrong, and consequently voted against it, and if he now proposes to vote for it, and against his own conviction, that is his business and not mine.

Mr. STORRER.—I shall not ask the honorable member how I shall vote.

Mr. McDONALD.—I did not ask the honorable member to do so, and it will be time enough to make an interjection of that kind when I do. It is a matter of no moment to me how the honorable member votes. The Postmaster-General has told the Committee that no one has asked for this proposal, and that it has emanated entirely from the Department. Seeing that there is already a splendid telegraphic service between these two great cities, I appeal to honorable members to say whether it would not be much better to spend this £30,000 in assisting in the development of the country districts of New South Wales and Victoria. The Minister's explanation has put the proposal in a very much worse light than that in which it appeared before, and I feel justified now in going further than I did on the last occasion, and in moving that the item be omitted.

The CHAIRMAN.—I cannot take such a motion, as it is equivalent to a direct negative of the question submitted to the

Committee, which is "That the item be agreed to."

Mr. McDONALD.—I shall achieve my object by dividing the Committee, and voting against the item.

Mr. AUSTIN CHAPMAN (Eden-Monaro—Postmaster-General).—When I say that no one has asked for this work, what I mean is that there is a general public demand for it, but that there is no one to whom we could especially apply for a guarantee.

Mr. FRAZER.—How does the Minister know that there is a general public demand for it?

Mr. AUSTIN CHAPMAN.—Surely the honorable member knows what a general public demand means? I point out that the passing of this vote will not in any way interfere with the construction of lines in the country districts. I have already explained that there is plenty of money provided to give effect to all reasonable requests of this kind likely to be made from country districts in all the States.

Mr. WEBSTER (Gwydir).—I have listened to the explanation of the Postmaster-General as to the reasons for erecting a trunk telephone line between Melbourne and Sydney, but I should like to know how he can support his contention that the work can be paid for out of revenue without decreasing the amount available for the extension of telephone communication in the country districts. I see no immediate necessity for the erection of this trunk line, and I shall not support the proposal if, as I anticipate, its cost will jeopardize the interests of country districts. I find that only £12,000 is proposed to be spent by the Department in the construction of telephone lines in New South Wales, and yet we are asked to spend £34,000 on a trunk line between Sydney and Melbourne, New South Wales contributing £19,000 towards the cost. Neither can I understand how the Postmaster-General can maintain that the public demands the carrying out of this work. I know that at the time the New South Wales Government decided to convert the metropolitan steam tramways into electric tramways, there was no public agitation for that conversion; but public necessity and convenience demanded that the Government should adopt an up-to-date mode of traction. Probably the Postmaster-General takes the view that the position in regard to this proposed work is the same; that, owing to the need of providing

up-to-date means of communication between the two principal cities of the Commonwealth, the Government are compelled to carry out what would be a serviceable, and, at the same time, profitable undertaking. But if £34,000 is to be spent out of revenue on the erection of this trunk line, how will the necessary and growing requirements of country districts, in the way of telephone communication, be met? I could understand the Minister's contention that the interests of country districts will not be jeopardized if he had given an indication of his determination to introduce some reform in the administration of the Telephone Department which would effect savings which would do something towards meeting the cost. For instance, if he were going to introduce a toll or call system, such as all authorities are agreed would increase the revenue and impose a fair charge on metropolitan subscribers, I could understand the argument that the expenditure of revenue on the proposed trunk line would not cause a smaller amount than usual to be available for country telephone extensions. Until the Department has adopted the call or toll system which is in vogue in other countries, we shall be catering too much for subscribers in the big cities of Australia, to the injury of the residents in country districts, if we agree to the proposed work. City subscribers at the present time obtain from the Telephone Department a service out of all proportion to the amount which any other method of communication would cost them.

Sir LANGDON BONYTHON.—The telephone charges in Australia are not lower than the charges in other countries.

Mr. WEBSTER.—They are lower in proportion to population. The telephone service costs the great business houses of Sydney, Melbourne, Brisbane, and Adelaide a very small amount in comparison with the service which they obtain, or with the cost of communication prior to the introduction of telephones. But it has become recognised throughout civilized countries that the telephone system can be worked equitably only by adopting the call or toll method of charging. Until city subscribers are asked to pay in proportion to the service they get, as compared with the service given to country subscribers—because whereas business houses in the city use their telephones almost continuously throughout business hours, shopkeepers in the country use theirs less than a dozen times a day—we should not seek to extend

the advantages and conveniences which they at present enjoy. I am not prepared to vote for the item, first, because I feel that city subscribers at present are given more consideration than country subscribers; secondly, because I do not regard the work as necessary; and thirdly, because I do not think that the undertaking can be paid for out of revenue without reducing the amount available for the extension of telephone lines to remote country districts. Moreover, I do not think that we should confer further benefits upon residents in the large centres of population, who are already deriving undue advantage from the use of the telephone system as compared with other subscribers, because they are not called upon to pay in proportion to the use made of the telephone. In the interests of the country districts, which I consider will be injuriously affected by the expenditure of a large sum of money on the proposed trunk line, I enter my protest against the work being undertaken. I should be glad to hear a declaration from the Postmaster-General that it is intended to adopt a more equitable system of charging for the use of telephones. If that assurance were given, I might be inclined to alter my view with regard to the proposed work, but otherwise I shall oppose it.

Mr. SKENE (Grampians).—The only question that we have to consider is whether the proposed work will pay. I presume that careful estimates have been made, and that the officials of the Department have satisfied themselves on that point. I could hardly imagine that a telephone line between two cities containing about 1,000,000 inhabitants would not pay. Twenty years ago I knew of a telephone system connecting cities not nearly so large as Sydney or Melbourne, which returned a good profit on the outlay. We need only look to the experience in regard to our railways. The suburban railways of Melbourne have always paid, whereas the country lines have in many cases involved loss, and we have had the same experience with our telephones. I wish to see the system extended throughout the country districts as far as possible, and if I thought that the construction of the proposed trunk line would interfere with the provision of reasonable facilities to residents in the country I should not view it with favour. The Department are doing as much as they possibly can, and that is saying a good deal, to extend the telephone facilities in the country districts, and the Postmaster-



General has assured us that there will be sufficient money in reserve to enable him to deal liberally with the residents in out-lying localities. So far as my own district is concerned, every facility that I could expect has been granted. We have to remember that the telephone system is a comparatively new one, which we are only beginning to build up, and in connexion with which it is often difficult to arrive at reliable estimates of cost. Some twelve or eighteen months ago an estimate was given for the construction of a trunk line thirty or forty miles long in the electorate which I represent. The cost was set down at about £900. At a later stage another estimate was furnished, the amount being £600, and eventually the estimate was reduced to £270. I presume that these reduced estimates were arrived at as the result of experience, and possibly owing to the fact that the Department were able to obtain material at a cheaper rate. It was found necessary to abandon the condenser system in that particular case, because it would not work well over the long distance.

Mr. MAHON.—The condenser system ought to work thoroughly well over a distance of thirty or forty miles.

Mr. SKENE.—That was not the experience in the case referred to, because it was found to be impossible to send a message over the line, even after trying for an hour.

Mr. MAHON.—I know a case in which the condenser system is being operated quite satisfactorily over a distance of 150 miles.

Mr. SKENE.—I am told that difficulty is also experienced in working the condenser system over a long distance in the Hamilton district. Of course, very much depends upon the connexions on the line. If a clear line can be obtained, messages can be sent by telephone.

Mr. MAHON.—There are several connexions on the line to which I refer.

Mr. SKENE.—The residents who are interested in the proposed line offered to enter into a guarantee, but this was not accepted, and further inquiries are being made. I believe in the guarantee system, because both Ministers and members would be placed in a very difficult position if no regard were paid to the prospect of the proposed lines yielding revenue. Wherever doubt exists, however, I think that a liberal view should be taken by the Department.

Mr. AUSTIN CHAPMAN.—We give the residents the benefit of the doubt.

Mr. SKENE.—So long as that is done, we shall not have much cause to complain. I think, however, that the work of constructing lines which have been approved of might, in some instances, be greatly facilitated. In one case, eight or nine months elapsed after the work had been approved and the guarantee given, before the line was constructed. On inquiring at the Department as to the cause of the delay, I was told that the wire supply had run out. That appeared to me to be a very poor excuse. I do not think that the Minister has heard of this case: A gold rush took place in one part of my electorate, and it was desired that connexion by telephone should be established with the nearest town, eight or nine miles away. Accompanied by a gentleman who has been a representative of the district in the State Parliament, I waited on the Secretary to the Postmaster-General, and represented to him that the residents were willing to enter into the necessary guarantee. This Mr. Scott expressed his willingness to accept. I said to Mr. Scott, "You now have an opportunity to show how spry you can be." What was the result? Two or three months afterwards, I was told that nothing had been done in the matter. I immediately visited the Department, with the idea of reviving it, but at the end of another three months nothing had been done. There must be a screw loose somewhere when seven or nine months are allowed to elapse, after a work has been sanctioned by the Department, before it can be completed. These are matters which require looking into. I think we are going to have an excellent telephone system established in the country districts. Each succeeding Postmaster-General has been helping the matter forward a little, and I am quite sure that the present occupant of that office will prove as energetic as was any of his predecessors. I am satisfied that when we approach him upon any subject in regard to which a doubt exists, he will give us the benefit of that doubt.

Mr. MAHON (Coolgardie).—I trust that the opposition to this vote will be withdrawn, in view of the previous decision of the Committee. There are one or two matters which I should like to explain, in reply to the remarks of the honorable member for Bland and others, concerning my objection to this trunk telephone line between Sydney and Melbourne. I did not,

as the honorable member supposed, claim that the construction of that line would deprive country districts of any essential reform or facility. I merely desired the policy of duplicating services where people enjoyed every convenience should be reviewed so that fuller justice should be done to country districts. I quite agree with the Postmaster-General that, as a commercial concern, it is the function of the Department to supply necessary facilities for the transaction of business to those who require them, and who are willing to pay for them. Consequently, the Department had a perfect right to look at this proposal in a purely business light, and if it thought, after receiving expert advice, that the line would pay interest on the cost of construction, together with working expenses, and still yield a profit, it was perfectly justified in seeking to get parliamentary approval of it. But the Postmaster-General has not submitted to us the evidence supplied by his experts as to the revenue-earning possibilities of the line.

Mr. AUSTIN CHAPMAN.—Yes, I have.

Mr. CROUCH.—He said that it would return 10 per cent. on its capital cost.

Mr. MAHON.—I heard him say that it would return only 5 per cent. The Government ought to see that a great work of this character returns more than 5 per cent. on its capital cost. I quite agree that in view of the mail, telegraphic, and telephonic facilities which are enjoyed by Melbourne and Sydney it is only fair that we should scrutinize this proposal very carefully, and make absolutely sure that the revenue-earning possibilities of the projected line come up to the Minister's expectation. I do not for a moment pretend that its construction will deprive any portion of the country of facilities which it may require. At the same time, neither the Postmaster-General, nor any member of the Government, appears to have met the case which I have endeavoured to put before the Committee. I pointed out that this condenser system, no matter how excellent it may be, will confer no advantage whatever on those remote country centres of population which do not enjoy telegraphic communication—in short, that it is merely a duplication of existing facilities. It is an exemplification of the biblical saying "To him that hath much, much shall be given." But the centres to which I refer have no conveniences at all. Some of them do not even enjoy a mail service. The Go-

vernment have not attempted to meet the case of 500 people who are located in the midst of a desert, who are 100 miles distant from any other township, and have no means of obtaining the services of a medical man in case of an accident or illness in less than three days. Nor have they met the position which I put to them earlier this afternoon, when I stated that if the cost of these works and buildings is to be charged on a *per capita* basis the protests of the representatives from the other States are entitled to respect. Seeing that those States are called upon to contribute to the outlay, they are perfectly justified in protesting against what they regard as undue expenditure. The Government have not attempted to meet my suggestion that they should endeavour to arrive at some arrangement with Western Australia in regard to these works. I have already said—and I repeat it—that since the establishment of the Federation that State has received from the Commonwealth Treasury something approaching £900,000 in excess of the three-fourths of the Customs and Excise revenue which the Constitution requires shall be returned to it. Instead of having refunded all that money to the State to enable it to erect mining batteries—which are, of course, very necessary—and to construct agricultural railways—which are equally necessary—I contend that we ought to have looked after the important services committed to our charge—the postal and telegraphic services. I can quite understand the attitude of the honorable member for Wilmot, who naturally feels that Tasmania should not be called upon to contribute towards the cost of these undertakings. I have suggested a means by which the whole difficulty can be overcome without any violation of the Constitution. I would again impress upon the Government the desirability of paying for these works out of the balance which is at present being returned to that State—a balance which this Parliament absolutely controls—instead of submitting them to the necessarily hostile criticism of honorable members. Before the Government refuse to meet the demands of population they ought to seriously consider my suggestion. I would remind the Committee of the position of an honorable member, representing, as I do, a remote portion of Western Australia, containing, perhaps, fifty or sixty small centres, which are urgently in need of mail,

telegraphic, or telephonic facilities. The Government of that State establish mining batteries there, costing from £5,000 to £7,000 each, whereas I am unable to obtain an expenditure of £2,000 for the erection of a telephone line. That is the position in which the Federal representative is placed, and the people naturally institute comparisons between the efficiency of the State and the Commonwealth Parliaments. When the Post and Telegraph Department was controlled by the State, its surveyors and linemen followed close on the heels of the prospectors. A mining camp had scarcely been formed when the telegraph service was extended to it, and the requisite postal facilities were afforded. It is only natural that those who saw what was done by the State in pre-Federation days should be disgusted with the result of the transfer of this Department to the Commonwealth. I have put before the Committee the position of many of the mining centres in the great interior of Western Australia, which is represented by the honorable member for Kalgoorlie and myself. The State Government goes to almost unlimited expense in furnishing miners and prospectors with every facility to carry on their work, and yet I cannot induce the Government of the Commonwealth to assist them in any way.

Sir LANGDON BONYTHON.—Why should Western Australia have the exceptional treatment which the honorable member has suggested?

Mr. MAHON.—It would not be exceptional treatment, for I understand that the right honorable member for Balaclava, when Treasurer, by arrangement with the State concerned, sanctioned the erection of works and buildings which were not paid for on a *per capita* basis, but were treated as expenditure incurred before Federation. If that way be open to us—and I believe it is—Western Australia can secure many necessary works without being subjected to the criticism of honorable members who naturally feel that the revenues of the States which they represent are being applied to the carrying out of undertakings in another part of the Commonwealth. All these works will have eventually to be paid for, and a proper balance struck. Meanwhile, as we do not know when the transferred properties are to be paid for, and much has to be done before that day arrives, the fairest arrangement that could be made would be one by which these works

would be paid for out of the balance due to Western Australia over and above the three-fourths of the Customs and Excise revenue to which she is entitled under the Constitution.

Mr. HENRY WILLIS.—That would be equivalent to the State constructing the works out of its own revenue.

Mr. MAHON.—Quite so. I attempted to solve this difficulty when I was in office. I then approached the Premier of Western Australia, and have done so since, with a view to induce the State to indemnify the Government of the Commonwealth against loss in providing these services. For some reason or other, however, the Premier of Western Australia was inclined to believe that difficulties would arise, and probably involve the State in some loss, when the transferred properties were being taken over.

Mr. HENRY WILLIS.—How could that possibly occur?

Mr. MAHON.—It was not apparent to me at the time, nor has it since been shown to my satisfaction that such a contingency would arise.

Mr. CROUCH (Corio).—I voted, on a previous division, against the construction of the trunk telephone line between Melbourne and Sydney, and did not intend to speak to the question; but I am grateful to the honorable member for Kennedy for affording me an opportunity to ask the Committee to reverse the vote which it gave on that occasion. I do not take up the position that my constituency has not been fairly treated, nor am I opposing this proposal simply from the stand-point of town *versus* country interests. My opposition to it is based on the ground that, in view of the position of the finances of the States and the Commonwealth, it is work that we should not undertake unless there is a strong public demand for it. I have yet to hear that there has been a demand for the construction of the line.

Mr. SYDNEY SMITH.—Does not the honorable and learned member think that the Department should act on its own initiative?

Mr. CROUCH.—When I have urged the construction of a telephone line, and a guarantee against loss has been sought by the Department, I have applied to those making the demand for the service to give the necessary indemnity against loss. But that cannot be done in connexion with a work for which there is no public demand. As to the interjection made by the honorable

member for Macquarie, I certainly think that the Department should take the initiative in regard to any work that is likely to pay, provided there are no other urgent demands upon the revenue of the Commonwealth or States. The revenue from the telegraph service will be considerably reduced by the building of this line.

Mr. SYDNEY SMITH.—The line will pay, and will not interfere with any other service.

Mr. CROUCH.—I am willing to accept the estimate of the departmental experts that it will pay 5 per cent. on the capital outlay. The honorable member for Gramscians has said that the position in regard to this service is very much like that of suburban railways, which, as a rule, make good some of the loss incurred on country lines. I would remind him, however, that when an application was made recently for the construction of a suburban railway line, the Victorian Minister of Railways took up the position—and in this he was supported by the Commissioners—that it was unwise to agree to build a railway simply because it would pay, inasmuch as the money so expended might be used to greater advantage in extending conveniences to the residents of other parts of the State that were less fortunately situated. He urged that that was the view to be taken, particularly at such a time of financial stress as now exists. Inasmuch as Melbourne and Sydney are well served by telegraph lines, and no demand for a telephone service has been made, I think it would be very foolish for us to enter upon this undertaking when there are more pressing demands upon us.

Mr. SYDNEY SMITH.—The people of Geelong asked for a telephone service, although they had telegraphic communication with Melbourne.

Mr. CROUCH.—When the people in the same way demand a telephone line between Sydney and Melbourne, there will be some justification for this proposal. The very existence of a public agitation for a certain work affords some guarantee of its success. I wish honorable members to understand that, by their vote on this item, they will not commit themselves to an expenditure of only £34,000, because we shall have almost immediately to provide telephone lines to Brisbane, Adelaide, Perth, and Hobart. It would be very ungracious on the part of those who represent New South Wales and Victoria to protest against the proposal, because if they did they would be met with the state-

ment, "Telephonic communication has been established between Melbourne and Sydney, and why should not the capitals of other States be similarly treated"?

Mr. SYDNEY SMITH.—The honorable and learned member is unwilling to make a start. That is all this is.

Mr. CROUCH.—I do not wish to make a start, because our spending power is limited. It would be extremely unwise at the present time to vote the money, when we cannot afford to undertake works which are necessary, and far more important than is this line. It was only the other night that the honorable and learned member for Corinella said that for the safety of the Commonwealth it was necessary to spend almost immediately £800,000 on defence works and equipment, but he would not take the responsibility of placing that sum on the Estimates this year.

Mr. McCAY.—I was going to bring the matter before the House in another way, and during the present session, if I had been afforded an opportunity.

Mr. CROUCH.—Bearing in mind that statement of the honorable and learned member, and believing that his claim on the Commonwealth is justified by the necessities of the position, I shall avail myself of every opportunity to effect a saving where, in my opinion, a work is not necessary, and there is no public demand for it. The money which could be saved in that way could be spent on defence works and equipment, which are absolutely necessary.

Mr. McCAY.—As soon as the vote for warlike stores is reached, I shall tell the Committee what I propose to do, and see if the present Government will take action.

Mr. CROUCH.—Perhaps the Government may do so, although apparently that is not their intention. By making economies in these Estimates, we shall only be responding to a proper call to insure the safety and preservation of the Commonwealth.

Mr. KENNEDY.—Does not the honorable and learned member think that this line would be more useful than a few more brass buttons on a uniform?

Mr. CROUCH.—I would rather have telephone lines than a display in brass buttons, but we want men to defend even our telephone lines. We do not want an enemy in Sydney to be using this telephone while the honorable member is look-

ing up *Hansard* to ascertain what nasty things he said a few years previously about men in brass buttons. For these reasons, I shall vote for the omission of the item.

Mr. WILKINSON (Moreton).—We have been told repeatedly that the erection of this telephone line between Melbourne and Sydney is justified because it will pay. But I wish to point out that whilst the outlay is to be charged *per capita*, apparently the profit is not to be distributed by the same method. In my opinion, if the States are to be called upon to bear the cost of erecting the line, then the profit from its working should be apportioned amongst them on the same principle.

Mr. CAMERON.—Yes; but it cannot be done.

Mr. WILKINSON.—That shows that it is an absolutely one-sided arrangement. I do not think that the statement that the line will earn a profit of 5 per cent. justifies its construction under existing circumstances. If we had plenty of money available to spend, there could not be the slightest objection to the Commonwealth undertaking any work which would be reproductive.

Mr. HENRY WILLIS.—Is not a profit of 5 per cent. good enough?

Mr. WILKINSON.—It is good enough if we have any amount of money to spend on works which are required. But, as was pointed out in the debate on the Budget, the Commonwealth has reached to within about £400,000 of its spending power.

Mr. HENRY WILLIS.—But we shall save an expenditure of £1,100,000 on the sugar bounty directly.

Mr. WILKINSON.—It shows a rather narrow spirit for an honorable member to taunt a Queenslander in that way when he rises to honestly express his opinions. The bounty is of no more concern to me than to the representatives of New South Wales, because the sugar-growers in that State as well as in Queensland participate in the benefits of it. I am not speaking against this item in a spirit of provincialism, or from a feeling of antagonism towards New South Wales or Victoria, but merely because I wish to see justice done to the other States. If we had an unlimited spending power, there would be every justification for the Commonwealth to construct this or any other line which would pay interest on the outlay and meet the working expenses. But when we have almost reached the limit of our spend-

ing power, there are other issues to be considered than the mere earning of 5 per cent. on this line.

Mr. WEBSTER.—Do not all the branches depend upon the trunk line?

Mr. WILKINSON.—Yes, if they are connected with the trunk line, but not otherwise. The branch lines will have no connexion with the line running from Melbourne to Sydney. This work is not nearly so pressing as is the provision of some means of communication for those persons who are required to do the hard graft of pioneering. Melbourne and Sydney enjoy a mail service by rail and boat, and telegraphic communication, but many settlers in outlying districts have merely a horse mail, and when they get a coach service they think they are almost in heaven. Such persons deserve a little more consideration than they get. If we have £30,000 odd to spend, it could be spent more profitably, and more in the interest of the whole community, by giving distant settlers that communication which they require and which would serve to make them more contented with their lot.

Mr. SYDNEY SMITH (Macquarie).—I am rather surprised at the views put forward by the honorable and learned member for Corio and the honorable member for Kennedy when opposing this item. I believe that every honorable member, whether he represents city or country, is in favour of giving facilities of communication to country residents. No proposal has been made by the Government to withdraw any facilities from the people in the country. They are anxious to extend them.

Mr. WILKINSON.—But we have not the money.

Mr. SYDNEY SMITH.—The honorable member knows that additional facilities have been given to country people in his own State. He need not fear that there will not be money available, if any additional sum is required. Quite a new idea has been put forward by the honorable and learned member for Corio. He says that the reason why this proposal, although it will pay, should not be carried out is that no request has been made for it. He admits that the Department thinks it necessary. We ought to encourage the departmental officers to make inquiry on their own initiative. We ought not to wait for outside persons to make demands, although when they are made they should be inquired into. The humblest officer in the Public Service should be encouraged to make suggestions

which will be for the benefit not only of the Department but of the public. This will be a payable work. The Postmaster-General points out that there will be a return of 5 per cent. on the capital invested. The estimate made to me, when I authorized the work, was that there would be a return of 10 per cent. But a deduction has been made on account of the estimated loss from decrease of telegraphic business to the extent of 5 per cent. That loss, however, is largely imaginary.

Mr. WILKINSON.—With whose capital is the line to be built?

Mr. SYDNEY SMITH. — With Commonwealth capital.

Mr. WILKINSON.—What is to be done with the profits?

Mr. SYDNEY SMITH.—Whatever profits are made will be for the benefit of all Australia.

Mr. CAMERON.—They will be for the benefit of the people of New South Wales and Victoria.

Mr. SYDNEY SMITH.—I understand that those who advocated Federation did so because it would be for the good of Australia. We are here to legislate in the interests of Australia; and a business proposal, which shows an estimated return of 5 per cent., even after deducting the supposed loss from decrease of telegrams sent, is one which no business man would hesitate to carry out. It is true that the work will be a great advantage to the people of Sydney and Melbourne, but it will also benefit the people of country towns, such as Seymour, Wangaratta, Wodonga, Albury, Wagga, and Goulburn. All those towns can be connected, and have the advantage of telephonic communication with Sydney, Melbourne, and intervening stations. I have a recollection of a proposal to extend telephonic communication in the interest of the electorate of the honorable member for Corio. The people of Geelong wanted to have direct communication with Ballarat, instead of having to pay on the distance from Geelong to Melbourne, and thence to Ballarat. By means of the condenser system, the Department were able to meet them. But on the principle laid down by the honorable and learned member, as no petition was lodged—although the Department, in the public interest, thought the work ought to be carried out—that should not have been done.

Mr. CROUCH.—There were several petitions and a deputation, and I wrote a large number of letters. If that is not a public demand I do not know what is.

Mr. SYDNEY SMITH.—The honorable member then wanted a direct wire between Geelong and Ballarat.

Mr. CROUCH.—No, I did not.

Mr. SYDNEY SMITH.—I think so; but because the Department thought it desirable to carry out that reform, according to his reasoning, they were wrong in not waiting until there was a definite and clearly expressed public demand. In my opinion, such works ought to be carried out as soon as it is shown that they will be in the public interest.

Mr. CAMERON (Wilmot).—The honorable member for Moreton has put a pertinent question to the Postmaster-General. He has pointed out that while this, as a new work, will be paid for out of the Consolidated Revenue, the profits, if there are any, will go to New South Wales and Victoria. In other words, the smaller States will have to stand the racket of the loss if there be any; and if there are profits, the larger States will receive the benefit of them. Is that fair?

Mr. SYDNEY SMITH.—The honorable member need not fear that there will be a loss.

Mr. CAMERON.—That does not alter the position. In the first place, the Commonwealth Government is going to take money which, if it were not expended in this direction, would be divided amongst the States in proportion to population.

Mr. HENRY WILLIS.—If there be a loss, the two States mentioned must bear it.

Mr. CAMERON.—That is not so, because any loss will be borne *per capita* by the other States. In other words, Victoria and New South Wales stand on "velvet." It is a case of "heads we win, tails you lose."

Mr. HENRY WILLIS.—That is not so.

Mr. CAMERON.—It is absolutely so. If the line be constructed out of Commonwealth funds, to which all have contributed, any loss must fall on the whole of the States, whereas any profit will be divided between the two largest States in proportion to the amount of business which each brings to the line.

Mr. SYDNEY SMITH.—What about the £8,000 voted for Tasmania last week?

Mr. CAMERON.—Where Tasmania has received £8,000 or 8,000 shillings, New South Wales and Victoria have received £200,000 or £300,000.

Mr. SYDNEY SMITH.—The honorable member must admit that Tasmania has been treated very fairly.

Mr. CAMERON.—On the contrary, Tasmania, on every possible occasion, has been used as a camel to assist in carrying the burden, but no attempt has ever been made to return anything to that State, or to afford any justification for the wrong done to it, beyond the retort, "You have the ports of the Commonwealth open to you." Just as if Tasmania wanted the rubbish of Victoria or New South Wales!

Mr. SYDNEY SMITH.—The New South Wales ports were open to Tasmania for years.

Mr. CAMERON.—They were thrown open in the interests of the people of New South Wales, who had no love for Tasmania, but only love for their own stomachs.

Mr. HENRY WILLIS.—New South Wales will bear one-third of the cost of the construction of this line.

Mr. CAMERON.—Is the honorable member making this speech, or am I? If the representatives of New South Wales and Victoria are so strongly desirous to have this line, and believe so firmly that it will not only pay, but pay handsomely, it seems to me that section 96 of the Constitution might very properly be put into operation with regard to the profits. That section is as follows:—

During a period of ten years after the establishment of the Commonwealth, and thereafter until the Parliament otherwise provides, the Parliament may grant financial assistance to any State on such terms and conditions as the Parliament thinks fit.

If we agree to assist in constructing this line, the profits, which we are told will be so large, might be distributed on a *per capita* basis amongst the other States. That suggestion is, I think, a fair one.

Mr. PAGE (Maranoa).—The honorable member for Wilmot has shown us the true complexion of the case. He has pointed out in forcible language that if there be a loss on this line, that loss must be borne by the whole of the States, but that any profits will be divided between Victoria and New South Wales, although the smaller States will have to pay their quota towards the cost of construction. New South Wales and Victoria are grumbling about trade leaving them; indeed, they are just like young kangaroos—the more they get the more they

want. If any representatives of the smaller States vote for this item, they will simply consent to those States paying the cost of constructing new works in Victoria and New South Wales, without any prospect of sharing in the revenue benefits.

Mr. HENRY WILLIS (Robertson).—The honorable member for Maranoa has emphasized the statements of the honorable member for Wilmot, but the latter gentleman did not put the case fairly. No doubt New South Wales and Victoria will benefit if there is a profit, but they must also bear any loss there may be. It must be remembered that New South Wales will contribute one-third of the cost of construction, and Victoria nearly one-third, the balance being borne by the other States; in other words, the two great States bear two-thirds of the cost of all works constructed in the other four States in the Union. If the honorable member for Wilmot had the interests of his State at heart, he would vote for this item without a word of complaint, because the small, compact State of Tasmania has more to gain from such a system than have the larger States. The honorable member for Wilmot very inaccurately stated the case, and I hope that his excitement will not influence other honorable members.

Mr. CULPIN (Brisbane).—I protested when a similar vote for New South Wales was before us, being convinced that the cost of the construction of this line must be borne by the Commonwealth as a whole, while the revenue will go to the two larger States. I think it is improper, however, to talk of the profit to those two States, because there is really something more. The cost of construction, which is the real expense, is, as I say, borne by the whole of the Commonwealth.

Mr. POYNTON (Grey).—The honorable member for Robertson seems to think that because Victoria and New South Wales will have to pay two-thirds of the expenditure involved in this proposal, the other States need not complain if they are called upon to make up the balance. I have complained of this system all along. I care not which State gains by its application; it is a rotten system—the more it is looked into the more one becomes convinced of that—and it must lead to extravagance in every State. If this proposal is followed to its logical conclusion, pressure must be brought to bear on the Government to provide telephonic communication between the capitals

of all the States. Why should Sydney and Melbourne be the only capitals provided with the convenience of telephonic, as well as telegraphic communication, at the expense of the Commonwealth? No one can argue that they are entitled to this consideration any more than are the capitals of the other States. The whole thing is on a wrong basis. It cannot be contended that it is fair that expenditure should be charged on a *per capita* basis until we have arrived at the time when revenue is also pooled. By way of pouring oil on the troubled waters, and overcoming the difficulty, I throw out a suggestion. If the Postmaster-General will promise the representatives of the other States that within a reasonable time similar propositions will be made for their advantage, this vote might be assented to. Why should not Tasmania have direct telephonic communication with Melbourne? Why should not Broken Hill be connected with Adelaide, and Adelaide with Melbourne, in the same way? We are indebted to the late Postmaster-General for having introduced the new system which has been the means of providing telephonic communication for various centres in South Australia at a reasonable cost. When I asked for telephonic communication with Petersburg, the honorable member for Macquarie will remember that the Department demanded a guarantee of £4,500. A guarantee was required also in the case of Moonta and other places. I represent one of the largest districts in the Commonwealth, and in it are many towns which have neither telegraphic nor telephonic communication. To my mind, it is extravagant to spend £34,000 on this connexion, when it is no exaggeration to say that there are hundreds of places in the Commonwealth which should have telephonic communication, and which, so far, have not even telegraphic communication.

Mr. SYDNEY SMITH.—The honorable member will admit that within the last few months a large number of places in his State were provided with telephonic communication.

Mr. POYNTON.—I have already said that we are indebted to the late Postmaster-General for many such connexions. Is it to be understood that where large works are involved, no guarantee is to be required?

Mr. SYDNEY SMITH.—If it can be shown that the line can be worked at a profit.

Mr. POYNTON.—How is that to be shown?

Mr. KELLY.—Cannot the honorable member trust the officers of a Government department?

Mr. POYNTON.—Has the honorable member for Wentworth not been sufficiently long in Parliament to know that Government officers frequently err in their estimates of probable expenditure? The revenue from this line will be pooled with the other revenue of the Department in the two States of Victoria and New South Wales, and we shall never have any means of knowing whether it is a paying concern or not. I again protest against the inauguration of this system until we are in a position to pool revenue as well as expenditure.

Mr. FRAZER (Kalgoorlie).—I voted against the amendment submitted by the honorable member for Maranoa, and against the principle of requiring a guarantee for all these undertakings. I hold the view, which members of the Government have previously expressed themselves as being in favour of, that all reasonable facilities should be given and life made as easy as possible for the men who are doing pioneering work in remote districts of the Commonwealth. It is one of the functions of the Post and Telegraph Department to do all that it can to make the lives of those who live in the interior of the country as happy and as comfortable as possible. Holding these views, I have favoured considerable expenditure in providing telegraphic and telephonic communication between different centres in the various States, even though they may not always pay. I wish to emphasize the remarks of the honorable member for Coolgardie when dealing with the condenser system. Where it has been inaugurated there is proof positive of the previous existence of a telegraph line. The difficulty we have in various portions of the extensive State of Western Australia is in getting the original telegraphic communication. I believe that the Government are justified in incurring considerable expenditure in order to bring the people in the back districts into communication with those in the cities. Looking at the estimates of expenditure proposed for New South Wales, I may say that I favour the idea of the Commonwealth assuming control of the service in the different States.



and erecting the necessary works to carry out the system inaugurated by the late Treasurer. In the same year a greater expenditure may be necessary in one State than in another. But I believe that we shall gradually find a level in this matter, and we should be prepared to "stand in" so far as expenditure as well as revenue is concerned. The honorable member for Wilmot was astray in expressing the opinion that in the event of a loss arising under this proposal it will have to be borne *pro rata* by the people of the whole of the Commonwealth.

Mr. CAMERON.—The Department will have power to close the line at any moment.

Mr. FRAZER.—In the event of a profit being obtained from the working of the line, it will go to New South Wales and Victoria; while, if there is a loss, those two States will be responsible for it. Seeing that only £12,000 is set apart in these Estimates for the extension of telephones throughout New South Wales generally, and that, in the view of a great many of the representatives of the State, more money is required to improve the means of communication now possessed by country districts, I am opposed to this project, though I am not bitterly opposed to it. There is no crying necessity for carrying out the work, although we have the assurance of the Postmaster-General, supported by that of the late Postmaster-General, that there is a reasonable prospect of a profitable revenue being obtained, which considerably mitigates my first antagonism to the proposal. I think, however, that the expectation of the Postmaster-General and his responsible officers that the public will be willing to pay 6s. for every conversation of three minutes' duration is too sanguine.

Mr. McCAY.—It would be cheaper to pay that rate than to use the telegraph.

Mr. FRAZER. — That would depend upon the business to be done. It must be remembered that the use of the telephone will reduce the revenue from the telegraph.

Mr. SYDNEY SMITH.—Does the honorable member put that forward as a reason for not improving our facilities for communication?

Mr. FRAZER.—I think that we must consider whether this work is so urgent

that it demands immediate consideration. The Postmaster-General told us first that there is a public demand for it, and afterwards that no individual request has been made for the construction of the line. The honorable member for Macquarie is so satisfied that a big profit will be obtained from the working of the line that he will not admit the possibility of loss.

Mr. SYDNEY SMITH.—I should not advocate the erection of the line if I were not.

Mr. FRAZER.—I, at any rate, am not so satisfied. Although honorable members have a great deal to say about assisting the producer, I think it is the producers of George-street and Flinders-street who chiefly will benefit by this work. However, if this is a reasonable business proposition, the only question we have to decide is whether the line should be erected now or at some future date, after telephones have been extended to districts which are more urgently in need of means of rapid communication.

Mr. LEE (Cowper).—I cannot understand why there should be so much objection to this proposal, seeing that we have the assurance of the Postmaster-General that the work will pay from the start, and that it will serve not only Melbourne and Sydney, but all the intermediate towns. No guarantee is required if it is evident that the line will pay, and I am sure that if the representatives of other States can bring forward cases in which lines will pay from the start, the Postmaster-General will be glad to erect them without asking for a guarantee. I do not think that the honorable member for Wilmot could suggest an extension which would pay without the Postmaster-General consenting to make it at once.

Mr. CAMERON.—I can instance a case in which I offered a guarantee to the late Postmaster-General, and he would not give a post-office.

Mr. LEE. — The late Postmaster-General is here to answer for himself. Under the circumstances, it would be a waste of time to discuss this matter further. I do not think, however, that the Postmaster-General will get as much business if he makes the charge 6s. for every three minutes' conversation as he will get if he charges a lower rate.

Question—That item 3, subdivision 2, “Victorian portion of trunk telephone line between Sydney and Melbourne, £11,000” be agreed to—put. The Committee divided.

Ayes ... .. 34  
Noes ... .. 10

Majority ... .. 24

# AYES.

Bonython, Sir J. L.  
Carpenter, W. H.  
Chanter, J. M.  
Chapman, A.  
Conroy, A. H. B.  
Deakin, A.  
Fisher, A.  
Forrest, Sir J.  
Fuller, G. W.  
Gibb, J.  
Glynn, P. McM.  
Groom, L. E.  
Higgins, H. B.  
Isaacs, I. A.  
Johnson, W. E.  
Kelly, W. H.  
Kennedy, T.  
Lee, H. W.

Liddell, F.  
Mauger, S.  
McCay, J. W.  
Phillips, P.  
Ronald, J. B.  
Skene, T.  
Smith, S.  
Spence, W. G.  
Thomas, J.  
Tudor, F. G.  
Watkins, D.  
Watson, J. C.  
Wilks, W. H.  
Willis, H.

# Tellers:

Cook, J. N. H. H.  
Robinson, A.

# NOES.

Bamford, F. W.  
Cameron, D. N.  
Culpin, M.  
Frazer, C. E.  
Poynton, A.  
Thomson, D. A.

Webster, W.  
Wilkinson, J.

# Tellers:

Crouch, R. A.  
McDonald, C.

# PAIR.

Edwards, G. B. | Page, J.

Question so resolved in the affirmative.

Item agreed to.

Mr. CAMERON (Wilmot).—On Friday last I gave notice of my intention to move the reduction of the vote for Western Australia by £1, in order to raise the question whether the Government were right in debiting to the States, on a *per capita* basis, the expenditure on certain buildings in Fremantle. My view is that under the Constitution the State in which such works are constructed should bear the cost of them. If honorable members will look at section 89 of the Constitution—and that is the only provision that has any bearing on this point—they will see that it is therein provided that all buildings taken over by the Commonwealth shall be maintained at the cost of the various States by whom they are transferred to the Commonwealth. and that any new buildings that may be erected in connexion with the transferred services shall be paid for by the States on a *per capita* basis—that is, that the States shall contribute to such cost in proportion to their population. My contention is that the pro-

posed new post-office at Fremantle is not a new work in any sense of the term, but is merely intended to replace one of the transferred properties. It is well known that there was a post-office at Fremantle at the time when the Departments were transferred to the Commonwealth, and that the building then in use for post and telegraphic purposes has been utilized up to the present time. Although the new building may not be erected on the site of the old structure, it is none the less intended to be substituted for it, and to answer the same purposes. When previously dealing with this subject, I expressed my appreciation of the soundness of the position taken up by the honorable member for Coolgardie, who seemed to me to strike the true keynote when he said that the discontent which prevails amongst representatives of the smaller States, as the result of the want of recognition on the part of the larger States of the great responsibility which rests upon us in regard to the finances of the States, would be, to some extent, allayed if the cost of new buildings were deducted from the revenue returnable to the various States. I do not know that I need take up very much time in discussing this matter. If honorable members will read the Constitution they will see that the proposed building at Fremantle cannot be regarded as a new work. It may be argued by the representatives of Western Australia that the business of the post-office at Fremantle has increased to such an extent that it is absolutely necessary to provide a larger building; but that does not affect the point I am raising. I move—

That subdivision 5, “Western Australia, £23,000,” be reduced by £1.

Mr. DEAKIN (Ballarat—Minister of External Affairs).—May I ask the honorable member if he has considered what the real effect of his proposal would be—or, rather, how short a distance it would carry him? As the honorable member is aware, we have now nearly completed arrangements for the valuing, as a preliminary to the taking over from the States, of the whole of the transferred properties, and when such properties are taken over by the Commonwealth they will have to be paid for on a *per capita* basis. Therefore, if the honorable member had his way, and if the proposed building were constructed nominally at the expense of the State as soon as the transferred properties are paid for its cost will be charged *per capita*. So that if the

honorable member succeeds in carrying his amendment, the expenditure for the moment will be charged to the State, but presently—as fast as the matter can be arranged—it will be charged *per capita*. Consequently no real gain will be effected.

MR. WATSON.—How long will it take to arrive at an agreement in regard to the price to be paid for the transferred properties?

MR. DEAKIN.—We have practically arrived at an agreement as to the basis of valuation with two or three of the principal States, and with them there only remains the question of calculating the amounts and arranging for their payment. After a great deal of delay the basis of the valuation has at length been satisfactorily arranged.

MR. WATSON.—I do not mind prophesying that it will be some time yet before the matter is finally dealt with.

MR. CAMERON.—Why not do what is legal in the interim?

MR. DEAKIN.—If the honorable member succeeds in carrying his proposal he will have gained nothing. On the legal question, without offering an individual opinion, I think he will see that a line has to be drawn somewhere when a State work is being replaced by another of a much larger and more expensive character. From the very inception of the Commonwealth, it was claimed by the States that in charging them with renewals which include a certain amount for improvements we were dealing with them rather harshly. They claim that no amount should be charged for improvements, but we have taken a reasonable latitude in that direction, and they have been satisfied by being reminded—as I have already reminded the honorable member—that when these works are taken over by the Commonwealth they will be paid for *per capita*, so that, after all, the arrangement is merely a temporary one, which will not injure them. The honorable member for Wilmot chose a post-office to illustrate his contention, and I desire to follow his example. Let us take the case of a small post-office on a new gold-field, which becomes a Kalgoorlie. When the State erected its building, it probably provided two or three rooms in which business could be comfortably carried on, at an expenditure of £400 or £500. But after the mines were discovered, people flocked there, and it became necessary to erect a larger building at a cost, perhaps, of £6,000 or £7,000.

MR. CAMERON.—Does not the State reap the benefit from the larger building?

MR. DEAKIN.—Certainly, it reaps the benefit of the revenue derived from it. Nevertheless that work has to be paid for *per capita*, and the special revenue benefit which the State enjoys is terminable at the close of the bookkeeping period. It is true that the State gets the benefit of the revenue which that post-office returns, but only during the bookkeeping period, which may be terminated within the next twelve months. Consequently the gain may be limited to twelve months. If the honorable member looks at the matter from either aspect he will see that the Commonwealth will have to pay for the building *per capita* soon, and that the State will soon lose the revenue which it derives from that source. His proposal, therefore, which is intended to benefit the State, would benefit it only temporarily. The practice of charging the expenditure on these works on a population basis has been established.

MR. CAMERON.—It was established only last year for the first time.

MR. DEAKIN.—With regard to post-offices, the practice has obtained ever since the establishment of the Federation. It is quite true that last year the Treasurer laid down a new principle; under which he charged the cost of a number of works which had been previously debited to the States on a *per capita* basis. Now that the bookkeeping period has nearly expired, is it not too late to reconsider the position which we accepted last year on the advice of the then Treasurer? We have accepted this new method of allocating expenditure. To reverse it now would only make confusion worse confounded. Under the circumstances, I submit that the gain anticipated is illusory, and that to alter the present practice would involve considerable inconvenience for an inconsiderable gain.

MR. GLYNN (Angas).—I think that a mistake was made last year in altering the system which previously obtained. For three or four years the Commonwealth had charged the States in which any works or buildings were constructed, with the outlay upon them. That principle was absolutely open to no objection, because—as the Prime Minister has mentioned—so soon as the transferred properties are paid for, those works, which were previously debited to each State, will be paid for as part of the

transferred properties. They will technically be regarded as having been transferred, inasmuch as they will be works and buildings, which were constructed to keep up the establishment, as at the time of the inauguration of the Commonwealth. But last year the Treasurer threw out some doubts as to whether that was the better system, and with very great reluctance he adopted the method of charging the cost of these works on a population basis. After having found his confusion worse confounded by the constitutional opinions expressed by lawyers, he was exceedingly doubtful of the policy of apportioning the expenditure *per capita*. Apparently the present Treasurer entertains less doubt upon the matter, because the effect of carrying out the *per capita* principle will be to relieve the obligations of Western Australia to a considerable extent.

Sir JOHN FORREST.—I did not prepare these Estimates. The Committee adopted the *per capita* method of charging this expenditure last year.

Mr. GLYNN.—I do not know that it did. The Treasurer mooted the matter, but there was no decision of the Committee upon it.

Mr. WATSON.—I protested against it, but there was no decision on the part of the Committee.

Mr. McCAY.—The Treasurer intimated that he intended to adopt the *per capita* method.

Mr. GLYNN.—He expressed grave doubt as to the constitutionality of the course which he proposed to take.

Mr. McCAY.—He announced his intention to take a course of action which was not challenged.

Mr. GLYNN.—By referring to *Hansard*, of last year, page 5650, I find that the then Treasurer said—

The provision to which I have referred has puzzled me very greatly, and, although I have consulted the law advisers of the Crown in regard to it, I have not been much helped by their opinion.

Upon the next page, he says—

Whatever view I might entertain in regard to expenditure upon post-offices, telegraphs, and telephones, I can come to only one conclusion concerning defence expenditure, namely, that it ought to be charged against the whole of the Commonwealth upon a *per capita* basis.

It will thus be seen that he remained doubtful as to all other expenditure, except defence. To my mind, there is no distinction between the two, save that one is revenue-producing and the other is not.

Mr. GROOM.—If the honorable member will read what is reported a few lines lower, he will see that the late Treasurer laid down the course of action which he intended to pursue.

Mr. GLYNN.—What I stated at the beginning of my remarks is quite correct. The right honorable member for Balaclava indicated that it was with very great reluctance that he was about to change the system which had previously existed. In my judgment, it was a great mistake to alter the system which had been in force for four years.

Sir JOHN FORREST.—The Constitution contemplates that "other" expenditure shall be charged *per capita*.

Mr. GLYNN.—But the point is whether or not this is "other" expenditure. For four years we acted upon the assumption that it was not.

Sir JOHN FORREST.—We may have acted wrongly. The position became untenable.

Mr. GLYNN.—When the properties come to be valued we shall have certain parts of them treated as transferred, while others will be regarded as not having been transferred. Probably the confusion of the valuers will be equal to that of the Treasurer when they have to settle on what basis they are to value these properties. It is for this reason that I say the mistake was in altering the system that had been followed for four years. The valuations may or may not be on a uniform basis, but in the long run it cannot make much difference, because the State under the old principle would have the amount refunded subsequently, assuming the valuation were a proper one. Although the honorable member for Wilmot is correct in his view that this is transferred expenditure, it would be almost a pity this year to make another alteration in the system.

Sir JOHN FORREST.—I do not altogether agree with the honorable member's view of the Constitution.

Mr. GLYNN.—The right honorable gentleman does not consider that a slight extension in the scope of a Department makes the incidental expenditure thereby incurred "new expenditure."

Sir JOHN FORREST.—I do not think that the cost of erecting a fort where there was none before could be considered as transferred expenditure.

Mr. GLYNN.—But would the right honorable gentleman consider the cost incurred in improving an existing fort was new expenditure?

Sir JOHN FORREST.—The position in that case might be different. .

Mr. GLYNN.—Surely it could not be new expenditure. New expenditure must be that incurred in launching some new policy. We determined at the Convention that certain Departments should be transferred as going concerns, and surely the cost of slight renovations or repairs, or additions to transferred buildings, should not be considered as new expenditure. Such expenditure would be incurred in continuing the old Departments, and in keeping them up to the necessities of business. However, as I have said, lawyers differ on this point, and I regret that in the circumstances the Government did not adhere to their original system of dealing with these items as transferred expenditure. The honorable member for Wilmot is now attempting to get away from the system adopted for the first time last year.

Mr. CAMERON.—The alteration can easily be made.

Mr. GLYNN.—No doubt the honorable member's contention is right in principle, and I should like to hear from the Government before I say that I shall not support them.

Mr. HIGGINS (Northern Melbourne).—The honorable member for Wilmot has raised an important point, which was well considered when the late Treasurer submitted his Budget last year. At that time I went into it very carefully, and expressed myself as strongly of the view that the practice adopted by the late Treasurer for the first four years of the Federation was absolutely wrong. I said that he had been charging to the different States respectively the cost of works done within those States, whereas he ought to have charged it as "other expenditure" on a *per capita* basis. I think that a great deal of the confusion has arisen from importing into the Constitution words that it does not contain. There is no such expression as "new expenditure" in the Constitution, and we are not now dealing with the question of what is expedient. We are bound by the words in section 89, which primarily refer to the time before the imposition of uniform duties. Under the latter part of the section, of course, the period after the imposition of uniform duties is governed by the same conditions; but still primarily the idea is that for the time being we shall

debit expenditure in these two ways. The words are simply that—

The Commonwealth shall debit to each State—

(a) The expenditure therein of the Commonwealth incurred solely for the maintenance or continuance, as at the time of transfer, of any Department transferred

All other expenditure is to be dealt with on a *per capita* basis. The only question now before us is whether the erection of a new building at Fremantle in substitution of an old building comes within paragraph *a* with regard to "maintenance or continuance as at the time of transfer." I understand that the words, "maintenance or continuance" were used with reference to the up-keep—both as regards repairs and staff—of the Departments as they stood at the time of transfer, and that the idea in using them was to secure that there should be debited to the State such expenditure as happened to be incurred on any post-office as it then stood.

Mr. WATSON.—Is every appointment to be treated as new expenditure?

Mr. HIGGINS.—If an increase were made in the staff, it would probably be "other expenditure."

Mr. DEAKIN.—And yet the State would get the extra revenue.

Mr. HIGGINS.—It is true that all the revenues collected in the State are to go to that State. It is a question not of what ought to be done, but of what is the meaning of section 89? We cannot get away from that section, and it is useless for us to say that the provision is unreasonable. I am not discussing that phase of the question.

Mr. CAMERON.—If a new post-office be erected in Fremantle, it will be the property of the Commonwealth?

Mr. HIGGINS.—Yes.

Mr. CAMERON.—There is nothing in the Estimates to show that the new post-office is to be erected on the site of the present building. That being so, the Commonwealth will be compelled by the Constitution to take over the old post-office, although it will have this new building.

Mr. HIGGINS.—That may be very extravagant, but the point we have to consider is whether the expenditure incurred in building a new post-office on a different site, as the honorable member suggests, will amount to the "maintenance or continuance" of the Department as at the time of the transfer. I think that the honorable member has, as a matter of business,

hit upon what is a flaw in the section; but at the same time I feel that we are bound by that provision. I did my best last year to follow the late Treasurer's exposition of his doubts on the point, and I confess that I fail to know why he should have had any. Although the honorable member for Wilmot will be able to put his finger on several injustices which will arise from what is being done, I am obliged to vote against him, as I feel bound by the Constitution. I ask the honorable member to confine his attention to the question of what is expenditure incurred solely "for the maintenance or continuance as at the time of the transfer of the Department."

Mr. McCAY (Corinella).—I agree with the honorable and learned member for Northern Melbourne that if we are to interpret the words of section 89 of the Constitution Act in their ordinary literal meaning, we shall certainly be landed in the difficulties which he has indicated. I do not agree with him, however, that the canon of construction of a Statute such as this one is the literal or the primary apparent meaning of the words. There must be some regard paid in such a case, I think, to the general intention of the legislation. Before the right honorable member for Balaclava delivered his Budget speech last session, I felt that it was very difficult indeed to say where sole maintenance or continuance ended, and new expenditure began, that if you went beyond the offices, and one might say the officers which were in existence at the time of transfer—which seemed at first sight to be the intention of the section—it was very difficult to say exactly where the line should be drawn. But while my doubts were not resolved any more than were his by the opinion of a previous Attorney-General, expressed with the usual caution, I felt that, in the matter of these new works and buildings, as the Prime Minister has pointed out this evening, this was only a temporary arrangement, and that if they are charged to the States to-day they must be taken over and paid for by the Commonwealth on a *per capita* basis to-morrow. If it be a loan from one State to another for a few years, it will not be a loan of the amounts which appear on the Estimates, but only a loan of the difference between the amount advanced and the charge to the State on a *per capita* basis. It will not bear the ordinary aspect of a loan; it will not be a loan of

what would otherwise be interest-bearing money, because it will be expended either by the Commonwealth or the State in the ordinary services of the year. It will simply be a loan from one's income as contrasted with a loan from one's capital. I venture to say that, except in the case of Western Australia, which is getting, of course, considerably more than her *per capita* share, the difference will be comparatively slight, and it will be found that Tasmania will not pay very much out of Western Australia's excess over her *per capita* share of the money which is being spent.

Mr. CAMERON.—Only an eighth of the vote.

Mr. McCAY.—Tasmania will not pay an eighth of anything. She will merely pay on the ratio of 180,000 to 4,000,000, roughly speaking. I object most strongly to the application of the principle that the expenditure in each State chargeable *per capita* shall be exactly proportionate to the *per capita* contribution of the State. Victoria is paying for everything so far as these charges are concerned.

Mr. WATSON.—Not for everything.

Mr. McCAY.—I do not say that Victoria is paying everything, but merely that she is paying for everything of this kind. There is no way in which she is making a profit.

Mr. CAMERON. — Victoria is getting a larger return than any other State.

Mr. HIGGINS. — There is the item of £10,000 for the Melbourne General Post Office.

Mr. McCAY.—If we take the proportion to which Victoria would be entitled on a *per capita* basis, I do not think there is any way in which she is getting a return equivalent to the amount she pays on a *per capita* basis, and she is making no complaint. So far as these payments are concerned, she recognises that it is inevitable that, in the settling of these matters, we cannot proportion everything absolutely to the old state of affairs. Otherwise there would be none of the giving while there would be all the taking of a Federation.

Mr. CAMERON.—Tasmania is contributing to the sugar bounty to the Colonial Sugar Refining Company.

Mr. McCAY.—I do not wish to be lured into a discussion of either the fiscal question or the sugar bounty. What pressed on my mind in coming to the conclusion

with the late Treasurer that it was best to charge new works on a *per capita* basis was that it meant a comparatively small loan for only a year or two.

Mr. WATSON.—What was the reason for altering the previous practice?

Mr. McCAY.—The works partook more of a Federal than of a State nature, and whatever legal argument was to be drawn from section 89 of the Constitution it was against the previous practice. Take, for instance, a new work like the fort at Fremantle. I do not find anything in that section, even on a liberal construction, which justifies us in calling it transferred expenditure chargeable against Western Australia.

Mr. WATSON.—I think that it is just as much so as the appointment of an additional gunner in the artillery there.

Mr. McCAY.—That is another matter. It is an argument against the honorable member's view, not against mine.

Mr. WATSON.—I do not think so.

Mr. McCAY.—It is an argument against charging as "transferred" expenditure many things which are now so charged, not an argument against charging as "other" expenditure things which are now so charged.

Mr. WATSON.—The whole position is unreasonable.

Mr. McCAY.—That is the fault of the Constitution.

Mr. WATSON.—I do not think that any Court would take any such view.

Mr. McCAY.—I think that the Justices would probably give an elastic meaning to the words "maintenance" and "continuance," but I do not think they would go so far as to regard a new work which is a part of a general strategic defence of the Continent as a work for the maintenance or continuance of the Department as at the time of transfer. That argument applies, although not with the same force, to a new telegraph line or a new post-office. There is a convenient working line which may be drawn between current expenses and new works, even if it be not a strictly legal line. I think the honorable and learned member for Northern Melbourne will agree with me that a practical line can be drawn even if a legal one cannot.

Mr. HIGGINS.—What is the force of the word "solely"?

Mr. McCAY.—That is an unhappy word. The balance of argument and con-

venience is very strongly in favour of the course adopted by the last Government, and which the present Government propose to continue; and I would suggest to the honorable member for Wilmot that he gains a very small advantage at the expense of considerable inconvenience, if he were to press this amendment to a successful issue.

Motion negatived.

Proposed vote (items 1 and 7 of subdivision 1, item 3 of subdivision 2, and subdivision 5) agreed to.

#### TREASURY.


Division 5 (*Government Printing Office*), £1,500.

Mr. TUDOR (Yarra).—There is an item in this division of £160 as a contribution towards the cost of sewerage the Government Printing Office. That building is one over which, so far as I know, we have no control. We have nothing to do with it except that we get our printing done there. We have certain machinery in it, but the building belongs to the Government of Victoria. I also direct attention to the fact that, although last year £1,500 was appropriated for machinery and plant, the actual expenditure was £2,593. The expenditure, therefore, exceeded the appropriation by a considerable sum. We have a right to complain, first, that the appropriation should have been exceeded; and next, that we should be called upon to contribute towards the sewerage of a building over which we have no control. I raised a similar question last year, and I hope that the Treasurer will look into it. We have no guarantee that the estimate will not be exceeded again. I trust that the Treasurer will exercise more control over the Printing Office than seems to have been the case in the past.

Sir JOHN FORREST (Swan—Treasurer).—This expenditure of £1,500 is for the purpose of obtaining linotype metal, and also for the purchase of a machine to repair the linotype machines.

Mr. TUDOR.—Why was the vote exceeded last year?

Sir JOHN FORREST.—I cannot tell the honorable member off-hand. The whole of the expenditure is in connexion with our linotype machines, and the building in which our printing is carried on. I shall be glad to make inquiries and give the honorable member detailed information when the general Estimates are being considered.

Proposed vote agreed to. 

## DEFENCE DEPARTMENT.

Division 6 (*Special defence material*),  
£140,000.

Mr. DEAKIN (Ballarat—Minister of External Affairs).—In respect to the consideration of these Estimates, the Committee has been very much assisted by the very clear and comprehensive statement made by the late Minister of Defence. In the course of that statement the honorable and learned member explained that the Estimates before the Committee were practically his, and not those of the present Government. We found them in the Treasury at the time of our taking office, and the period which has elapsed since then has been, of course, insufficient to allow my colleague, the Minister of Defence, to make an examination of the whole of the items involved from his own particular point of view, in order to submit them comprehensively to the Government. But, at the same time, enough advance has been made in the consideration of these Estimates for me to feel that it is but just to call the attention of the Committee to several items of expenditure which the Government do not propose to carry out as they are here set down.

Mr. McCAY.—I suppose that the honorable gentleman will move alterations.

Mr. DEAKIN.—I am not yet in a position to move the addition of items and the substitution of others, for reasons which I will presently explain. The late Minister of Defence, in the course of the speech to which I have alluded, pointed out that the position which he occupied was that of every previous Minister of Defence; that is to say, that he had far more obligations, if one might so term them, than he could possibly hope to cope with in one year. It became, therefore, not a question of doing what he desired, and neglecting what he did not desire to do; but his task was to consider the various proposals in the order of their urgency, and in the order of their comparative importance, and to pick out those which, in his opinion, most called for attention at the present moment. The honorable and learned member laid down the principle on which he had proceeded. It was desirable, he said, to complete part of the scheme before proceeding to other parts. In one portion of his speech, reported in *Hansard*, at page 1684, he set out the position very clearly. He pointed out that—

The votes proposed for the current year will, to a large extent, complete that scheme.

That means Major-General Hutton's scheme—

For instance, the vote for accoutrements will complete the accoutrements for the field force upon a war establishment; that for saddles will complete the equipment of the light-horse upon a peace establishment; the vote for the field artillery will bring us within twelve of our total number of guns, and will complete the equipment of sixty out of seventy-two guns. In the same way the vote for camp equipment will complete the equipment of the garrison force; and that for medical equipment will complete the equipment of the field force upon a peace establishment. Every one of these votes will practically complete some work which was already in progress.

That was the principle on which the honorable and learned member proceeded. I need not say that those statements are correct, and that the honorable member's proposals would complete to the extent which he mentioned those various purposes. But that may, perhaps, have been interpreted by the Committee in a larger sense than intended, except in regard to the very first item of £32,500 set down for accoutrements. There was £7,000 spent last year, with this additional sum for this year—and a very large sum it is—for providing the infantry, which now possesses accoutrements on the peace footing, with accoutrements necessary to a war establishment. The Australian Light Horse, which at present has no such accoutrements, will be equipped, not only on a peace footing, but on a war footing.

Mr. McCAY.—The men have accoutrements, but the horses have not.

Mr. DEAKIN.—Exactly; but these items cover the special accoutrements, so far as is necessary to raise the Australian Light Horse to a war establishment.

Mr. McCAY.—The items cover the things which the men carry on their backs or around them.

Mr. DEAKIN.—And these things are summarized under the word "accoutrements," although it includes much more.

Mr. McCAY.—This applies to the mounted troops.

Mr. DEAKIN.—It is to them I refer. As a matter of fact, the precise accoutrements which have to be carried by the horses have not yet been decided on.

Mr. McCAY.—I think they have practically been decided on.

Mr. DEAKIN.—In regard to this particular vote, it is true that the £32,500, if voted, will practically complete the equipment in what are termed the accoutrements. But with item 2, "Saddle-trees,



stirrups, and bits, £10,250," and item 3, "Making saddles, £22,500," we find an addition to the sum on the Estimates of £32,750. We shall require next year, £32,800, which will make £66,550; or, if we add the garrisons which are not provided for under Sir Edward Hutton's scheme, we shall require £71,270 in order to finally complete the provision for saddletrees and the making of saddles for a war establishment. Omitting item 4, "Field Artillery—guns, harness, waggons, and ammunition, £58,882," in regard to which I have no alteration to suggest, we come to item 5, "Camp equipment, £8,000." I find here again that £8,062 was spent last year, and £10,238 will need to be voted next year, making £26,300 to place the equipment on a war footing. Item 6, "Miscellaneous—tools and other material," £1,840 was spent last year, whilst next year £3,160 will be required to complete the equipment. Item 7, "Medical equipment, £5,653," is in addition to the £5,808 voted last year.

Sir JOHN FORREST.—£11,000 was voted last year, and £5,800 spent.

Mr. DEAKIN.—There will be £8,114 voted next year, or a total expenditure of £19,575, to completely equip the field force. Altogether, therefore, a very large sum, approaching £60,000, will be required to really complete the late Minister's items.

Mr. McCAY.—On a war footing.

Mr. DEAKIN.—I am speaking always of a war footing, as I did in regard to the first item of accoutrements.

Mr. McCAY.—That is the first matter which must be completed—the accoutrements.

Mr. DEAKIN.—Now we come to items 8, 9, and 10, on which there is no difference of opinion between the ex-Minister of Defence and the Government, and as to these I have no suggestion to make, though I may have a statement to lay before honorable members. But as to item 11, which is £2,000 for mounting the *Cerberus* guns, the ex-Minister of Defence informed us that he had intended to remove it from the Estimates, where the present Government found it. The present Minister of Defence was not aware that his predecessor had intended to remove the item, which was left until it was too late to make any change. This item, I need not say, it is proposed to ignore altogether. I have referred to certain items, because, in respect to them, there is a differ-

ence of opinion between the present Minister of Defence, and, so far as I am able to follow the matter, a difference of opinion between myself and the ex-Minister of Defence. It appears to the Government that the provisions inserted are less urgent than some other provisions which might be made with advantage at the present time. To make the matter quite clear, let me first refer to other items which appear to the Government quite as urgent as they did to the late Minister of Defence. There is item 4, which is £58,000 for field artillery. This is to provide the artillery with proper guns, harness, waggons, and 500 rounds of ammunition for each of eighty-four guns. We have, at present, thirty-six 15-pounders, and twelve in process of conversion in England, and we shall have thirty-six 18-pounders, twenty-four of which were ordered last year, and twelve of which are to be ordered this year. There still remain another twelve to be ordered next year. Last year, there was £67,000 voted for the field artillery.

Sir JOHN FORREST.—That was the amount spent; we voted £72,000.

Mr. DEAKIN.—Next year, we shall need £48,686, making a total of £175,000 to effectively equip the field artillery. This appears to be a very urgent matter. Item 8, which is £2,000 for equipment of field engineers, also appears to be urgent. Honorable members will see that this latter is in addition to the £2,000 voted last year; and, I may add, that £2,216 more will be required next year, making a total of £6,216 for the field engineers. Then machine guns are another necessity, and £10,260 is proposed for four Maxims, and the proportion of ammunition required with them. That is in addition to £9,072 voted last year, and to £24,508 which will be required next year, or in subsequent years. A total of £43,840 will be required before we can complete our equipment in regard to machine guns. Then comes item 10, which covers the provision for the two 7½ guns and one 6-inch gun for Fremantle, and the supply of ammunition. Items 12, 13, and 14 are small, providing for six gyroscopes, service shell for 8-inch and 6-inch guns, and submarine mining equipment, and 12-pounder equipment, all for Queensland.

Mr. McCAY.—I think the last is a doubtful item, too.

Mr. DEAKIN.—These are small items, but, so far as my colleague has gone, he

sees no reason to think that there are more urgent matters to which they need give place.

Mr. MCCAY.—I am inclined to think that item 14 is not necessary.

Mr. DEAKIN.—I shall have the benefit of the honorable and learned member's opinion. The position we find ourselves in is one of some difficulty. With our predecessor's Estimates, so far as the items alluded to are concerned, which mean £95,000 out of the total, we agree in every respect. As to the items to which I first called attention, and which the ex-Minister of Defence proposed—except in regard to the *Cerberus* guns—with a view to completing Sir Edward Hutton's scheme for the field and garrison forces, it seems to the Government doubtful whether the full amounts, or anything like the full amounts, ought to be devoted to those purposes this year. It appears to us that there are other matters more urgent, and, first, I may mention the provision of cordite, especially for the big guns.

Mr. CROUCH.—Is it proposed to make the cordite locally?

Mr. DEAKIN.—Not only is the cordite manufactured abroad, but I believe the whole charge for big guns comes out made up ready for use—a completely manufactured article. It would be unnecessary, and, perhaps, unwise to go into details, even if I had them; but I think the honorable and learned member for Corinella, and those acquainted with the circumstances, will admit that we have an insufficiency of cordite at the present time.

Mr. MCCAY.—I presume the Prime Minister is speaking of fixed defences?

Mr. DEAKIN.—When I alluded to the cordite, I meant, by the colloquial reference to big guns, fixed armaments.

Mr. CROUCH.—Is it proposed to locally manufacture cordite?

Mr. DEAKIN.—We require to import the made-up cordite, because we are not yet manufacturing it here.

Mr. CROUCH.—Cordite can be manufactured here, but the Government will not pay the price for it.

Mr. DEAKIN.—We shall no doubt be able to manufacture cordite; indeed, we must of necessity undertake its manufacture, but I am now only dealing with the expenditure for this year. The supply of cordite at present is insufficient; and if we are to be able to utilize our fixed armaments and most modern guns in harbor

defence, it is, in the opinion of my colleague, the Minister of Defence, absolutely necessary to have a considerably larger supply. If an emergency arose, the necessary cordite could neither be manufactured here, nor hurriedly supplied.

Mr. KELLY.—How long does the Minister think it will be before we shall have sufficient ammunition to allow of practice with the quick-firing guns we have?

Mr. DEAKIN.—So far as I am definitely instructed on these matters, it will not be long. But I prefer not to discuss details, for reasons which the honorable member will understand. I think it is necessary that there should be practice, and quite admit that practice under service conditions is impossible, except with cordite. Practice with black powder is good in its way, but it is not practice under service conditions, and it is not the practice which is required. I am thinking not only of practice, but of possibilities—let us hope, extremely remote—of the immediate future, which to my honorable colleague appeared to strongly suggest the wisdom of supplying ourselves with cordite for our fixed guns, before we concern ourselves with the supply of accoutrements or saddlery. The late Minister of Defence, in the course of his remarks, made an appeal to the Committee not to be captivated by a proposal to increase the number of rifles. I can assure the honorable and learned gentleman that his remarks caused me to again look into the question more closely, giving that due weight which I think ought to attach to his opinions. Yet, having looked into the question, and admitting, as the honorable and learned gentleman said, that we have one rifle for every effective man of our forces intended to use a rifle, and also nearly 5,000 rifles more, nevertheless, when I find that the recommendation of the Imperial Defence Committee at home is that the supply of rifles should be at least 50 per cent. above the full requirements of its own effective force—

Mr. CROUCH.—They are trying to work off some of their rejected rifles on to us.

Mr. DEAKIN.—We are not obtaining any rejected rifles at present.

Mr. CROUCH.—The short rifles are rejected.

Mr. DEAKIN.—They have not been rejected. They have been adversely criticised, but they are still being manufactured and served out, and, so far as my own limited knowledge of the subject goes,

the question of superiority is still a matter of grave debate in England between recognised authorities who take different views.

Mr. McCAY.—The official view is so far in favour of the new short magazine rifle.

Mr. CROUCH.—The manufacture of them has been almost stopped, and the issue of them has been almost completely stopped.

Mr. DEAKIN.—That is a most important matter, which must not, of course, be overlooked; but it does not affect the principle laid down by the Imperial Defence Committee, and to which our attention has been particularly directed. Remote as we are from the old world, and incapable of manufacturing these weapons at present, it is desirable that we should take some steps towards increasing the number of magazine rifles of the best type within the Commonwealth in case of emergency. These are the two great items to which our attention is specially directed. We are not yet in a position to say definitely, for reasons I am about to give, exactly how much it will be necessary to divert from the numerous items I have mentioned, but my honorable and learned friend, the late Minister of Defence, is aware that cordite is very expensive, that rifles are also expensive; and it is therefore very easy to swallow up two-thirds of the sums he proposed to devote to the various objects mentioned which appear to us to be less urgent than necessary provision for cordite and the increase in the number of rifles. The reason why I do not come down with any definite proposal in this regard is because my honorable colleague and the members of the Government generally, hold that no scheme for the year ought to be proposed in regard to defence generally, and particularly in regard to the supply of defence stores, which is not part of a scheme laid down for a number of years. The former practice of annual dealings was put aside, when we commenced to deal with Major-General Hutton's recommendation for the expenditure of £575,000 upon a scheme in which we looked a certain number of years ahead, and made certain definite provision. It seemed to us that, in considering the question of defence, what is demanded of us is that we shall not simply propose something for one year, but that we shall propose whatever may be necessary for this year as part of a scheme stretching over a number of years. I am aware that my honorable and learned friend laid down the

same principle in his speech, though, perhaps, in other words. Like the honorable and learned gentleman, we foresee that this will mean a very large expenditure in the gross—an expenditure which he estimated at something like £800,000—in order to make it complete. We desire that none of this money shall be thrown away, but that we shall, so far as we are able in the time at our disposal, provide from the very start for a consistent plan of supplying our various deficiencies. These may be in connexion with our land forces—to refer in my colloquial way to the ordinary military forces—or in connexion with our garrison forces, fortifications, or other harbor defences, all of which need improving, as my honorable and learned friend agreed. We desire that to whatever purpose expenditure is to be devoted it shall be on a settled plan. My honorable and learned friend started with a similar idea when he made provision for accoutrements, saddlery, camp equipment, tools, and supplies, as matters of most urgent importance. The point on which we differ from the honorable and learned gentleman is that, so far as our present information takes us, we consider an adequate supply of cordite ammunition for our fixed guns, and provision for more rifles, matters of much more urgent importance. We also desire to do something further on the excellent lines pursued by the honorable and learned gentleman for the encouragement of rifle shooting. This will depend very largely on the amount of money which, on inquiry, it is found can be spared. We are also inclined to afford some better opportunities for the practice of rifle shooting, in addition to the provision made by the late Minister of Defence.

Mr. McCAY.—There is additional provision for the purpose provided on these Estimates, the increase being from £3,700 up to £6,000.

Mr. DEAKIN.—I am not positive as to the extra amount, but think that we can take a further step, though the increase may not amount to much, in view of contingencies.

Mr. McCAY. — Not out of the vote for warlike stores, surely?

Mr. DEAKIN.—It would not be out of the vote for warlike stores, but from what could be spared from the vote for warlike stores.

Mr. McCAY.—That is the same thing. Instead of paying for warlike stores, the Government propose to give the members of rifle clubs an opportunity to travel.

Mr. DEAKIN.—To travel, in so far as that is necessary to afford them better opportunities for rifle practice, and to attend rifle competitions. The amounts to be devoted to these purposes will be very trifling in comparison with the amount which will be swallowed up in making what we consider adequate provision for a supply of cordite and for extra rifles.

Mr. FULLER.—What about rifle ranges? They have not been very liberally provided for, so far.

Mr. DEAKIN.—We have been looking into all these matters, and in these respects we have been improving year by year, so far as our funds have permitted. These are some of the items down for consideration: To cheapen ammunition to riflemen, to give them a little extra travelling, better rifle ranges, and better opportunities for practice in rifle shooting. I admit that all these matters were under the consideration of the late Minister of Defence.

Mr. CROUCH.—Does this not disclose a very serious departure? Is it a question of a difference of opinion between the Minister of Defence and the ex-Minister, or has the Council of Defence changed its opinion between June and September?

Mr. DEAKIN.—It is largely, no doubt, due to Ministerial initiative, but these questions are under consideration by the Council of Defence now, and, I presume, were considered by them previously.

Mr. CROUCH.—Why have they changed their opinion so completely, in a few months?

Mr. DEAKIN.—I did not say that they had changed their opinion.

Mr. McCAY.—Perhaps the honorable and learned gentleman will say whether expert opinion is behind the Minister in these suggestions?

Mr. DEAKIN.—There is expert opinion behind the Minister, but I am not yet prepared to say that the Council of Defence has finally decided anything. I am aware that the Minister has been in consultation practically with all the expert officers of his Department in endeavouring to arrive at a wise conclusion.

Mr. CROUCH.—The Council of Defence was going to give us continuity of policy.

Mr. DEAKIN.—I hope it will. We desire to adopt these Estimates, which,

as honorable members know, were framed for us, so far as we can; there is no wish to make alterations for the sake of altering. But we take the view that the items I have mentioned do not represent the most urgently needed expenditure on warlike stores this year. When we have completed a full inquiry into the whole matter we will propose substitutions.

Mr. McCAY.—Shall we have an opportunity to discuss the substituted proposals?

Mr. DEAKIN.—Yes, after the Minister has consulted his expert advisers, and the Cabinet has considered the scheme as a whole. In the meantime we ask the Committee to agree to these Estimates, because we hope that our substituted proposals will not increase the expenditure, although they may alter the mode of its appropriation. I feel that this explanation is imperfect, but the Minister himself sits in the Senate, while for the last fortnight I have been deprived of the assistance of the honorable member for Richmond, who has represented him in this Chamber, and has given the subject his undivided attention. I have, however, tried to acquaint honorable members with what is in the mind of the Government at this stage of their Defence policy.

Mr. McCAY (Corinella).—The announcement of the Prime Minister, that specific proposals in substitution for these Estimates will be submitted to the Committee for consideration at a later date naturally makes one feel bound—and, indeed, willing—to allow the proposed vote to pass, on the understanding that an opportunity will be afforded for the discussion of the new proposals when they have crystallized from their at present apparently nebulous condition, and have been formulated by the Government. The honorable and learned gentleman stated that, in his opinion, the proposals of the Government should be part of a permanent scheme, not subject to alteration year after year. In that view I entirely concur, and, as he is probably aware, there are minutes in the Defence Department in which that is pointed out very clearly.

Mr. DEAKIN.—I was not aware, though it was pointed out very clearly in the honorable and learned member's speech.

Mr. McCAY.—It is pointed out in the first minute laid before the Council of Defence. The other day I asked the Government to recognise the seriousness of the position, by breaking through what, I hope

will be the Commonwealth practice of abstaining from borrowing, by advancing to ourselves, so to speak, the money necessary to put our defences into a proper position, and I again press that view upon their consideration. The matter is too serious for us to say, "We will spend so much this year, so much next year, and so much the year afterwards." We cannot afford to spend out of revenue all that is required, nor can we justly deprive the States of any substantially greater amount than we deprive them of now. But I would remind the Committee, quoting the substance of words which I heard not many weeks ago, that if trouble did arise, and an enemy came to our shores, he would not make any allowance for the fact that we had not been able to provide out of our annual revenue the funds necessary to defend ourselves properly, but would probably be so discourteous as to take advantage of the fact. I have no great hope of the Government being able to borrow money for this purpose, even on short-dated Treasury bills. The Prime Minister shakes his head. I do not know if he means that to be a confirmation of my opinion.

Mr. DEAKIN.—Yes.

Mr. McCAY.—I feared so. When the honorable member for Bland said that we had better carry out this work with money provided out of revenue, I feared that the Prime Minister would play Polonius to his Hamlet.

Mr. CROUCH.—That is ungenerous.

Mr. McCAY.—Surely one is entitled to criticise the political situation in terms as mild as that. I do not think that the Prime Minister considers himself personally affronted by my remark.

Mr. DEAKIN.—I consider the honorable and learned member mistaken.

Mr. McCAY.—So Polonius would have said had he been accused of too ready an acquiescence in Hamlet's views about the shape of the cloud. As the next best alternative—though I do not think it anything like what the necessities of the situation demand, because nothing will satisfy them but the course I have urged—I suggest that the Government should follow a precedent set in Victoria some years ago, when a scheme was perfected for the partial equipment and partial development of the Victorian Defences. I am sorry that the term "Special warlike stores" has been discarded in these Estimates for the term "Special defence material." There must be a peculiarly Quaker-like feeling abroad.

Mr. DEAKIN.—The alteration was not made by me.

Sir JOHN FORREST.—I did not make it. Perhaps the honorable and learned member did.

Mr. McCAY.—I have the same bellicose heading in my copy, and last year the term employed was "Special warlike stores." However, the term is immaterial, so long as we make proper provision. Each year, from the 30th June, the obtaining of these supplies is entirely suspended for some months. If the Government are prepared, as they should be, to give honorable members full opportunity to consider a complete scheme some little time before the end of the session, I urge them to embody it in the schedule to a Bill which will contain clauses limiting the amount to be spent each year. In that way, if the Bill is passed, we shall have a special appropriation for a series of years, and the Department may go on without a break developing the specific scheme of which Parliament has approved.

Mr. BAMFORD.—Has that not been done already?

Mr. McCAY.—No. The money is voted every year, though we now know enough of the subject to be able to provide under a special Bill for funds to carry out the scheme for a series of years.

Mr. FULLER.—What does the honorable and learned member think the appropriation should be?

Mr. McCAY.—We require an expenditure of £800,000; but, if no loan is to be raised, Parliament must decide how much shall be spent each year.

Mr. AUSTIN CHAPMAN.—How much does the honorable and learned member think should be spent?

Mr. McCAY.—The more the better; but our expenditure is limited by the requirements of the States. I do not wish to repeat what I have already said on this subject, but I ask the Government to bring down their proposals, so that honorable members may deal with them, not in the form of a motion, but in the shape of a schedule to a Bill, so that, good, bad, or indifferent, Parliament may lay down a scheme which will be followed for a number of years. If that is done, the Department will be able to proceed to carry out the scheme, whoever may be the Minister in charge, without having months of harassing anxiety each year as to what amount will be voted, and how it should be expended.

Sir JOHN FORREST.—Major-General Sir Edward Hutton's scheme was practically approved of by Parliament.

Mr. McCAY.—The interjection of the Treasurer brings me to another point. Parliament practically approved of Major-General Hutton's scheme, and I suppose that is why the present Government are proposing to depart from it.

Mr. DEAKIN.—Not because of that, but we are acting in spite of it.

Mr. McCAY.—All history proves that a small force properly equipped will always beat a large force insufficiently equipped. The Prime Minister mentions that the Government propose to increase the supply of cordite ammunition for the heavy artillery in connexion with our fixed defences, which is not at present up to the recognised Imperial standard, and this, of course, will entail the expenditure of more than a few hundred pounds. This very question was considered by Major-General Hutton, who is undoubtedly the ablest soldier we have had in Australia for a number of years. With a knowledge of all the circumstances, he did not recommend more than appears in his scheme, except, if I am correctly informed, in one particular regard. Major-General Hutton's scheme provided for an expenditure of £13,000 upon artillery ammunition in connexion with our fixed defences, but I am informed that by a clerical error the figures, £31,000, became altered to £13,000, and appeared in the report in that form. I admit that we require more ammunition for our big guns, but I contend that what we have would probably prove sufficient for the requirements of any emergency that is likely to arise during the next few years.

Mr. DEAKIN.—That is a view that has not been presented to us. It has been represented that our supplies are not sufficient even for immediate requirements.

Mr. McCAY.—I arrived at the conclusion I have indicated after carefully going into the figures. I do not propose to mention any figures, because I do not consider that they should be allowed to enter into a discussion on matters of this kind. I admit, however, that the ammunition question weighed heavily upon my mind, and, of course, I did not come to any conclusion on these matters without consulting all the officers whose expert opinions were worth having. I have no very great quarrel with the Government on that point, although I say that in my personal

opinion they are making a mistake. In connexion with item 6, "Miscellaneous—tools, and other materials," I may say that I would far sooner have 30,000 rifles, and a proper supply of trenching and other tools than 40,000 rifles without proper supplies of tools. Tools may be supplied locally at a pinch, although not perhaps to the fullest extent that might be desired.

Mr. DEAKIN.—That is the point; the tools can be supplied locally.

Mr. McCAY.—What I wish to point out is, that as far as a peace establishment is concerned, we have not even a complete equipment for our forces. We have not a complete equipment for the men who are actually enrolled, and the Prime Minister indicates apparently that the supply of saddles which are necessary to equip merely the present light horse, is to be delayed in order that extra supplies of cordite, and an additional 5,000 magazine rifles, may be purchased.

Mr. DEAKIN.—I would rather have 10,000 rifles than 5,000.

Mr. McCAY.—The rifles may be fairly estimated to cost £5 each; therefore 5,000 rifles will cost £25,000, or, if the order be increased to 10,000 rifles, the outlay will be £50,000. I should be very glad to see an additional 10,000 magazine rifles in Australia, but I ask what particular danger will be met by increasing our supply of rifles to that extent, as contrasted with the danger that would be guarded against by the expenditure of money in other directions? The first question we have to ask ourselves in determining a defence policy for Australia, and thereby determining what forces we require to raise and equip, is, "What is the danger that we are likely to have to face?" In other words, what are the probable, and what are the possible risks to which we are exposed? I say unhesitatingly that the least risk we incur is that of an invasion of Australia in force—the risk against which the piling up of modern rifles is intended to guard.

Mr. AUSTIN CHAPMAN.—We do not want to pile up the rifles, but to place them in the hands of the people.

Mr. McCAY.—The Postmaster-General is quarrelling over a matter of terms. I would ask of what use would the additional rifles be if they were placed in the hands of the people unless there was an enemy to shoot at? What danger would be met by the acquisition of 10,000 additional rifles as compared with the danger that would

be guarded against by the equipment of the present force? If we obtained this additional supply of rifles we should have 45,000 magazine rifles, and would possess a force of only 10,000 men properly equipped, and another 35,000 insufficiently equipped. I do not know of any probable danger to which we are likely to be exposed that would require us to place 45,000 riflemen in the field.

Mr. AUSTIN CHAPMAN.—We can get saddles made in this country, whereas we cannot manufacture our own rifles.

Mr. McCAY.—We cannot get saddles made in Australia in a day. If the Minister is content to wait until the enemy is at our gates he is prepared to run counter to the lessons taught by the history of every war that has taken place. Every lesson to be derived teaches us that the army that is ill equipped is the one which in a short contest loses, and in a long contest suffers enormous losses before it can secure its proper share of success.

Mr. CONROY.—That is not borne out by the history of the French revolution. It was the well-equipped troops of the allies that were defeated by the ill-equipped French troops.

Mr. McCAY.—I do not derive that lesson from the history of the wars of Napoleon. I do not say that any amount of equipment will enable badly led forces to defeat well-led troops. I am assuming equality of leadership. All history tells us that lack of equipment is the cause of disaster. One has only to look at the history of the Civil War in the United States to learn that more than once the southern States, would have won if their armies had been as well equipped as they were courageous and well led. If before we provide against the obvious danger of attack by comparatively small numbers, which our field force of 30,000 would easily be able to meet, we provide against a more remote contingency, I contend that we are reversing the proper order of things. I am not going to quarrel with the details to which the Prime Minister has referred, because I shall have an opportunity of doing that at a later stage. Much as I desire to see Australia a nation of riflemen, I claim that the proposal to purchase more rifles before completing the equipment of a definitely determined force, is consonant with no scheme of defence against probable dangers. It means preparing for the remoter contingency before completing our preparations for the nearer contingency. It is on

that ground of principle alone that I quarrel with the particular item mentioned by the Prime Minister. I am quite aware that there is a vague feeling abroad that the more rifles we possess the better off we shall be.

Mr. AUSTIN CHAPMAN.—Is that only a "vague feeling"?

Mr. McCAY.—It is vague, because it has not been crystallized into asking—"What are we going to do with the rifles?" Only the other day a man in Western Australia remarked to me—"We shall never be safe in Australia until we have 500,000 rifles here. There are a million able-bodied men in the Commonwealth; let us have a rifle for every second man who is fit for service."

Mr. AUSTIN CHAPMAN.—Does the honorable and learned member contend that we have sufficient rifles?

Mr. McCAY.—I do not.

Mr. AUSTIN CHAPMAN.—Would it not be better to have a shortage of saddles than a shortage of rifles?

Mr. McCAY.—There is no shortage of rifles for any probable contingency. Is it likely that within the next twelve months Australia will be invaded in force? If war were to break out at any moment, is it not far more likely that we should suffer from flying invasions than from an attack in force?

Mr. CROUCH.—Why should not we provide against both contingencies?

Mr. McCAY.—Because we have not the money.

Mr. CROUCH.—Are we not here to insure that Australia shall have a proper system of defence?

Mr. McCAY.—I admit that we require all these things. It is a question of which we should undertake first. I contend that by increasing the supply of our rifles before completing the equipment of the existing forces—by increasing the supplies of our second line of defence before completing the equipment of our first line is unsound policy.

Mr. DEAKIN.—Even when the supplies for our second line of defence consist of rifles, whereas the equipment of the existing forces merely involves the supply of bandoliers and belts.

Mr. McCAY.—I may tell the Prime Minister that bandoliers and belts form a very important part of the equipment of the service. I protest against the theory that the defence of the Commonwealth can be intrusted to men who have merely to be

given rifles and a pocketful of cartridges, and told to go off and fight. There is a good deal more than that required. A certain amount of training is absolutely necessary. If there is to be a choice between the purchase of additional rifles and the training of our leaders—and by “leaders” I do not necessarily mean officers at the top of the tree, because a corporal is just as much a leader as a general, though to a lesser extent—I should prefer to see more money spent in sending an increased number of officers abroad for instruction. In imagining that by merely increasing the supply of rifles, we shall make Australia safe, we are committing the gravest of errors. The danger which will require Australia to use 60,000 rifles in the field is so remote as to be unworthy of consideration compared with the danger that might require us to place 15,000 or 20,000 men in the field. When the pinch comes, it will come quickly. If war were to break out at any point on our coast, we should require to send our troops there immediately. We should not be afforded an opportunity to complete the manufacture of the requisite number of saddles. We could not send a wire to the enemy, saying, “As soon as our saddles are finished, we will come and fight you.”

Mr. DEAKIN.—We have the saddles now.

Mr. McCAY.—As a matter of fact, the saddles at present in use are either the property of the mounted men themselves, or are nearly worn out. Moreover, in a citizen army we have to satisfy not only the public whom it is designed to protect, but the reasonable feelings of the members of the forces themselves, because they are practically volunteers.

Mr. CHANTER.—Are they not willing to supply their own saddles? They have done so in the past.

Mr. McCAY.—They do so now. This vote for the purchase of saddles appeared upon last year's Estimates. The reason the saddles were not supplied was not because the work was postponed to enable something more pressing to be carried out, but because difficulties arose in connexion with the steel arches required in their manufacture, and because I decided that, as far as possible, everything connected with them should be made in Australia. As a matter of fact, I found that we could obtain the saddles as cheaply in Australia as we could in England, whilst, at the same time, we could exercise more supervision over them, so far as quality was concerned.

Troubles arose, however, in obtaining samples, and this caused delay. I consider that a proper saddle upon a horse is almost as important as is a proper rifle in the hands of a trooper. A mounted man is no better than his horse, and the rider of an animal with a sore back is of no use. I only offer these few observations with a view to impressing upon the Government the nature of the danger that we have to meet. I ask them to allocate their expenditure accordingly, instead of merely satisfying an uncrystallized idea as to what the defence of Australia would best consist of. An army of magnificent riflemen possessed of plenty of ammunition, would be of no use, unless it was well led, well equipped, well trained, and well supplied, and unless it was able to move about freely, knowing that supplies would come forward from its base.

Mr. KELLY (Wentworth).—The honorable and learned member for Corinella, who is more fitted than is any layman in the Commonwealth to speak upon defence matters, has laid down a most excellent principle, which should guide us in all our deliberations—the principle that, in considering what things we want, we should have regard to what we want them for. The honorable and learned member seemed to think that that principle would naturally lead us to suppose that a “field force” was a more pressing requirement for the Commonwealth than is the proper completion—I say “completion” advisedly—of the coastal defence of Australia. While agreeing with the honorable and learned member that what we want above all things in connexion with our defences is continuity of policy, I disagree with him when he says that a field force is better designed to meet the more probable dangers of Australia than is the coastal defence—the defence of our shipping and centres of population.

Mr. McCAY.—I do not think I said that.

Mr. DEAKIN.—But it was implied in the argument.

Mr. KELLY.—I do not think the honorable and learned member did make that statement; but, whether intentionally or not, he implied it.

Mr. McCAY.—I said that a field force of fixed dimensions properly equipped would meet our probable dangers better than would the indefinite extension of the numbers of rifles we possess.



Mr. KELLY.—I absolutely agree with the honorable and learned member in that respect; but is it not infinitely more probable that our coastal defence, rather than the field force of which he has been speaking, will be called upon to meet the first attack that the Commonwealth has to fear?

Mr. McCAY.—I do not think so. I believe that the back door is just as likely to be attacked as is the front door.

Mr. KELLY.—I do not agree with the honorable and learned member, and I shall put very briefly the reasons why I cannot agree with him. All our schemes for the defence of Australia are based on the proposition that England is able to maintain command of the seas in time of war. Now, we know that it has been laid down by the Imperial authorities on coastal defence that while we have command of the seas, every section of the Empire must be prepared first of all for a raid, or even for an attempt at forcing a passage on the part of isolated ships or small squadrons of the enemy; and we further know that Great Britain has made preparations to prevent such raids by securing an immense preponderating strength in cruisers. I mention this point only to show the honorable and learned member for Corinella that any ships that came here to attempt a raid, or to act in any of the other offensive capacities open to them, while Great Britain still maintained control of the seas, would be able to stop in one place for only a very short time. They would not be in a position to engage in that form of attack to which the honorable and learned member has referred—a “deliberate attack” on any point of the coast line of Australia—and it would be only in cases of “deliberate attack” that definite landing parties would act in conjunction with the fire from those ships. It is laid down in *Artillery Training for 1904*—a work that is quoted throughout the Empire as the “authority” on coastal defence—that there are three, or, including “bombardment”—a most unlikely form—four attacks to which we might be subjected. Taken in the order of their danger, the first is a “raid,” the second the “forcing of a passage,” and these two attacks are both possible, and, we are told, probable while the command of the sea is still maintained by us—while the third attack is that which the honorable and learned member for Corinella apprehends, a “deliberate

attack” on cities by combined land and naval forces. It is laid down in the same authority that this form of attack is impossible while England commands control of the seas.

Mr. CROUCH.—Is not that work issued in England in respect only to English conditions?

Mr. KELLY.—It is issued for the Empire, and is recognised, not only in England, but throughout the Empire.

Mr. McCAY.—It is a garrison artilleryman's view of garrison artillery duty.

Mr. KELLY.—It expresses the view held, not only by garrison artillerymen, but by the naval authorities, that no definite expedition—and when I use the word “expedition” I mean expedition of land forces—could be sent oversea against us by a foreign power until command of the seas had been taken away from the country now possessing it. That shows that, for the form of attack to which we are most exposed, neither a field force nor a conscript force is the protection we most urgently require. In the extremely able speech on defence which the honorable and learned member for Corinella delivered a week or two ago, he mentioned, as one of the uses to which our field force might be put, that it might be directed against some of the foreign possessions in the neighbourhood of the Commonwealth. I can only say that a field force that had built up for itself a very fine field artillery—if it ever attained the efficiency necessary to properly manœuvre and use that artillery—would find its field artillery of little use against those possessions; for the type of mountain guns or mule guns required for use against those possessions is not provided for in the equipment of our field force. But I do say that a field force is infinitely more useful than is a vast inconglomerate of untrained immobile men, armed with rifles, but lacking in any of the equipment which the honorable member has properly described as absolutely necessary. I wish to point only to this one fact in this regard: that we have in Australia an average of only one and a quarter inhabitants per square mile. A third of that population is centred within a very small area. So that, if we take one-third of the 775,000 men available for military service, that third, which is living in the different centres of population, could be used as a very valuable adjunct to any defence force in those particular centres; but, as a means of repelling invasion, it

would be useless. It would be immobile, and, on the face of it, quite without the commissariat and other trains absolutely requisite to make a force easily concentratable at threatened points. It could not be moved; nor could the very sparse population; and, therefore, soldiery, outside our centres of population, could not be concentrated on any point attacked by the enemy. If an enemy came here for any purpose after our command of the seas had been lost, it would be to occupy territory that we had not occupied; and I hold that it would be far better for the Commonwealth to devote the money it is now proposing to spend on mere rifles to repel invasion, if not to the real defences of the country, then to a scheme to increase the population. A large population is, after all, the very best weapon we could have against occupation of territory.

Mr. AUSTIN CHAPMAN.—“Mere rifles” are very handy.

Mr. KELLY.—They would not be very handy in Western Australia, when their bearers were wanted in Queensland; or in Sydney, when they were required in Northern Territory, and when we had not the means to convey them from one point to the other! The expenditure proposed to be incurred will be useless to any except the big centres of population, which will probably never be invaded until other parts of the Commonwealth have been occupied. All I wish to put this evening is first the urgency to properly equip, as the honorable and learned member for Corinella said, one section of our Defence Forces at a time; and the section which, I suggest, requires most urgently to be equipped, since it is the first that would come into requisition, is the coastal defences. I have already shown that, so far as the defence of Sydney goes, we have not sufficient cordite ammunition to permit of practice with the quick-firing guns. I do not agree with the honorable and learned member that our coastal defences are in a reasonable position to repel attack when we have not taken the common precautions necessary to make ourselves efficient in the use of these guns. We have not the men required to man the guns with one gun's crew per gun. Furthermore, we require very urgently one particular type of gun there—the 12-pounder gun—as an anti-torpedo boat armament. These are the defences which I would urge on the consideration of the Prime Minister as neces-

sary to be completed before all others are dealt with.

Mr. CROUCH (Corio).—I am glad to notice the spirit which has come over the Committee since last session. It shows that certain history which has been made during the past year has brought honorable members into a rather serious mood concerning defence matters. It was with a good deal of pleasure I noticed that the Prime Minister, even before he attained office, in an interview which he gave to the *Melbourne Herald*, struck a note which showed that he was leading public opinion in this direction. I am sorry that I have not been able to get all the details of his scheme, and I was not able to follow them as quickly as did the honorable and learned member for Corinella, who had an already complete knowledge of the scheme, and from whom I certainly expected to get a longer explanation than he gave.

Mr. McCAY.—I spoke very fully on the subject a week or two ago.

Mr. CROUCH.—Yes; and I read the speech of the honorable and learned member with very great interest. I did expect to hear from him a fuller explanation of the details of the scheme. However, we are promised that it will be submitted by means of a definite motion by-and-by. I should like an opportunity to compare his scheme, which certainly seems to have a logical, consistent base, with the scheme which has been put forward by the Prime Minister on behalf of the Minister of Defence. There is not the slightest doubt that a comparison reveals that a serious departure has taken place. We were promised, although I never expected it, a continuity of policy from the Council of Defence and the Military and Naval Boards, but we find that two-thirds of the proposals in respect of special warlike material have been swept away, and new proposals have been introduced.

Mr. KELLY.—The only way to get continuity of policy would be to insure Parliament knowing what the Council of Defence proposes from time to time.

Mr. CROUCH.—That should be done at a private sitting. In my opinion, these questions should not be discussed in public. I do not wish the representatives of the press to be excluded, because I believe that, if it came to the last stage of patriotism, they would suppress information which should not go to the public and the enemy.

I think that the ideas propounded by the honorable and learned member for Corinella, in his recent speech, were largely brought into his mind by reading the details of Major-General Hutton's scheme, and by constant consultation with his principal advisers and the Council of Defence. It contained certain detailed military proposals which I think military nations would not have allowed to go forth. Even the slight details we get give certain information, which it is inadvisable to publish, but which certainly could be discussed at a private meeting of the Committee with the Council of Defence.

Mr. KELLY.—Every one seems to know all about defence except this House.

Mr. CROUCH.—Since the honorable member read up a book called *The Garrison Artillery Manual* 1904 he seems to possess absolute knowledge on every phase of the defence question.

Mr. KELLY.—The honorable and learned member has not even got the name of the book right.

Mr. CROUCH.—I acknowledge with deep regret that I do not know the title of the wonderful little book which has imbued the honorable member with complete knowledge, not only on defence matters, but on every other subject which comes before the Chamber. As to the amount to be spent by both Minister and ex-Minister on new field artillery, although it is quite wise that we should equip our field artillery, still I hold that we want a permanent field artillery corps.

Mr. MCCAY.—The honorable and learned member is prejudiced on the subject of the militia field artillery.

Mr. CROUCH.—I am. From the nature of their training and their special work, I do not think the field artillery should be entirely confined to militia. It is specialized work for specially trained men. One of the disastrous provisions which I think the honorable and learned member introduced into the Defence Act was that in which, except for purposes of instruction, the field artillery had to be entirely militia or volunteer. There is no doubt but that far too great importance has previously been attached to field artillery. Take the highly-trained permanent artillery that was engaged on each side in the late Russo-Japanese war. Of the casualties which were reported to the Head-quarters Staff, 85 per cent. were due to rifles, 7 per cent. to bayonets, and only 8 per cent. to field guns

and shrapnel, although field guns are the most expensive part of a fighting force.

Mr. KELLY.—It does not follow that there would not have been greater casualties amongst the infantry if they had not had the protection of field guns.

Mr. CROUCH.—Certainly not. But in Australia we should certainly have the nucleus of an effective field artillery force. On the cordite question I am completely with the Prime Minister, but is the Committee aware that for the sum of £6,000 we could get our cordite made in Australia? It has been brought under the notice of every Minister of Defence since the portfolio was held by the honorable member for Eden-Monaro, that the Deer Park Explosives Company, which makes dynamite, gelignite, and all the explosives kindred to cordite, is prepared for the sum of £6,000 to erect the necessary plant and buildings to manufacture such cordite as we might require at a cost of 3s., whereas the Department is paying 2s. At the time of the South African war Waltham Abbey—the place in England from which we get our cordite—immediately raised the price from 2s. to 2s. 6d., so that the increase, instead of being 50 per cent., would be only 20 per cent. It is absolutely necessary that our cordite should be made here.

Mr. DEAKIN.—These questions are all part of a larger scheme.

Mr. CROUCH. — But what does it mean? The Prime Minister gets twelve months' ammunition for his garrison guns and rifles, but the whole of that would be fired away in two days in time of war. What is to happen to the country then? The Prime Minister admits that he would like to carry out both schemes, if he could. But he does not think that we want equipment completed before everything else. Why should we not adopt both schemes? It might mean that the expenditure on defence would be increased from £178,000 to £278,000, and of course the cry would be raised that we were not returning to the States as much as they expected. But the whole position in regard to the importance of defence is altered by the fact that we have near to us an energetic, able, well equipped and armed nation that is going to play a large part in the Pacific. In view of that fact, we shall not do our duty to the people of this country unless we make sure that we are properly defended. I would support any Minister of Defence who proposed to increase and improve our defences until they reached a stage

of absolute efficiency. If we do not do these things, our enemy in time of war will not desist from attacking us because we are not ready; and, if that should happen, the very people whom we are trying to save—the States Treasurers—would be the first to blame us for leaving the country undefended. Let me remind honorable members of some lines in Tennyson's ballad of "The Fleet." On an occasion when Sir Graham Berry, then Agent-General for Victoria in London, was speaking at a banquet, he referred to the scandalous way in which the defences of the Empire were neglected. Tennyson, who heard his remarks, went home and wrote the ballad from which I shall quote. He emphasized the danger of neglecting the defences of the country, and said that if they were neglected in time of danger—

The wild mob's million feet  
Will kick you from your place.  
But then too late.

I commend that thought to the attention of the Minister and of the Government.

Mr. CONROY (Werriwa).—When I listen to these marvellous military authorities I feel inclined to bow down in abject submission to them, except for the fact that history teaches us that all the improvements in munitions of war and in armament have come from civilians and not from men of the military type. There cannot be a greater reflection cast upon any body of men than that. Although military men profess to know all about the subject, we may be perfectly certain that they are least fitted to take charge of the organization of the defence of a country. What else can be expected? If the military field is the best calling for which a man thinks that he is fitted, what sort of a creature must he be? He might as well be a ram or a bull, because, apparently, his highest ambition is to be shot; and really I do not know why any one should deny him that pleasure if he wants it. That is how I feel when I hear these military men talking. I am a man of peace—especially when every one else agrees with me. Nothing annoys me more, and rouses a greater feeling of indignation within me, than when I hear people urging that we must waste pound after pound upon military equipment. Where is it going to end? Sooner than live in a state of constant dread of invasion, I would die a thousand times. I admit that we must place our country in a proper condition of defence. I do not object to that. But

we ought to recognise one thing clearly, and that is that the men who go in for a military life are not the best men to organize and direct the defence of the country. Because, a man who goes in for a military life early in his career, does not have his brain stimulated, as does the man who has to compete with his fellows in civic life. After twenty years of military service, he is not fit to take his part in organizing warfare. Take England for instance, where there are many thousands of men trained to a military life. The army was actually using the old Brown Bess muzzle-loader thirty years after everybody in civil life who used a rifle was using a breech-loader. The more we begin to rely upon our volunteers for our defence the better it will be. There may be one exception to that rule in regard to the permanent artillery, because I do not think that it is possible to train men to be good shots in a few days. We should take every advantage of our civilian soldiers. Men who have taken up the practical work of defence with enthusiasm are likely to be the best for all practical purposes. I must again deplore the tendency on the part of some honorable members to favour the spending of a large sum of money on defence. If we must do that, let us spend half of it in introducing new settlers and putting them on the land. In that way we shall secure a body of men who will be able to take their share in the defence of the country, and we shall not have a mere phantom army.

Proposed vote agreed to.

Progress reported.

#### APPROPRIATION (WORKS AND BUILDINGS) BILL.

Motion (by Sir JOHN FORREST) agreed to—

That the Standing Orders be suspended in order to enable all steps to be taken to pass the Appropriation (Works and Buildings) Bill through all its stages without delay.

Resolution of Committee of Supply reported and adopted.

*In Committee of Ways and Means—*

Motion (by Sir JOHN FORREST) proposed—

That towards making good the supply granted to His Majesty for additions, new works, buildings, &c., for the year 1905-6, a sum not exceeding £418,911 be granted out of the Consolidated Revenue Fund.

Mr. CONROY (Werriwa).—There was practically an arrangement come to that

honorable members on this side should not object to the necessary motions in connexion with the Appropriation (Works and Buildings) Bill being taken as practically formal motions, since an opportunity has already been afforded for a full discussion of the various items in Committee of Supply. We are all aware that several very good reasons can be given against the suspension of the Standing Orders, especially when large sums of money are to be passed, but as honorable members have already had an opportunity to discuss the matters provided for in the Appropriation (Works and Buildings) Bill, it is not necessary to further refer to them at this stage.

Question resolved in the affirmative.

Resolution reported and adopted.

*Ordered—*

That Mr. Deakin and Sir John Forrest do prepare and bring in a Bill to carry out the foregoing resolution.

Bill presented by Sir JOHN FORREST, and passed through all its stages without debate.

### ADJOURNMENT.

Mr. DEAKIN (Ballarat—Minister of External Affairs).—I move—

That the House do now adjourn.

As the first business for to-morrow, we propose to proceed with the second reading of the Representation Bill, and after that with the Commerce Bill.

Question resolved in the affirmative.

House adjourned at 11.17 p.m.

## Senate.

*Wednesday, 13 September, 1905.*

The PRESIDENT took the chair at 2.30 p.m., and read prayers.

### PETITION.

Senator DOBSON presented a petition from the Women's Christian Temperance Union, in Tasmania, praying that the importation of opium, except for medicinal purposes, shall be prohibited.

Petition received.

### HOUSE OF REPRESENTATIVES: QUORUM.

Senator MILLEN.—I ask you, sir, whether your attention has been directed to public statements to the effect that it is

proposed in the other branch of the Parliament to alter the Standing Orders by a method which does not appear to conform to section 39 of the Constitution Act, and which appears to ignore the rights and duties of the Senate, and if so, whether you will take such steps as may appear to be necessary in order to safeguard or to assert its privileges?

The PRESIDENT.—My attention has not been specifically called to the matter. I have seen a statement in the press, but I do not think that it is within the sphere of my powers or functions to express an opinion as to the Standing Orders of the other House.

Senator MILLEN.—That is not my point, sir. What I asked was whether your attention had been drawn to a proposal made elsewhere, which would seem to indictate a departure from the Constitution Act, which secures to the Senate certain rights?

The PRESIDENT.—I cannot see how the Senate is affected.

Senator MILLEN.—Section 39 of the Constitution Act prescribes the quorum of the House of Representatives, and says it shall not be altered "until the Parliament otherwise provides." From what has appeared in the press and in the records of the other House, I assume that it is intended to alter that provision by a resolution of that House alone.

The PRESIDENT.—That is not the opinion which I have formed as to the proposed procedure. What I understand is intended to be done is to alter, not the quorum, but the machinery by which it can be ascertained. However, I do not wish to express an opinion.

*At a later stage,*

Senator DOBSON.—I wish to ask the Minister of Defence, without notice, whether it is not a privilege of the Senate that all Bills which are received from the other House shall have been considered and passed by no less than twenty-five members?

Senator PLAYFORD.—The honorable and learned senator can read the provision in the Constitution Act for himself, and as he is a member of the learned profession, very likely he will be able to form a better opinion than I, as a layman, can. If he will give notice of a question I shall get an answer.

## NORTHERN TERRITORY.

Senator PEARCE.—I desire to ask the Minister of Defence, without notice, whether the Government will, as early as possible, supply honorable members with a copy of the report on the Northern Territory by the Governor of South Australia, as recently laid upon the table of its House of Assembly, more particularly the portion dealing with the question of the employment of coloured labour?

Senator PLAYFORD.—If it be the desire of honorable senators, I shall lay the paper upon the table.

HONORABLE SENATORS.—Hear, hear.

Senator PLAYFORD.—I shall lay my copy of the paper upon the table to-day.

CUSTOMS REGULATIONS ON  
OCEAN STEAMERS.

Senator MILLEN.—I desire to ask the Minister of Defence, without notice, whether his attention has been drawn to a letter in to-day's issue of the *Argus* practically confirming the statement I made here some time ago as to the character of a notice posted on the boats of the Peninsular and Oriental Company, and if so, whether he will look into the matter, and obtain that further information which he promised me six weeks ago should be forthcoming.

Senator PLAYFORD.—I asked that the information should be supplied to me, but up to the present time it has not been received. I shall look into the matter, and get the information as quickly as possible. My attention had not been previously called to the letter in question.

## TARCOOLA POST OFFICE.

Senator MATHESON.—I wish to ask the Minister of Defence, without notice, whether he will lay upon the table, if possible to-morrow, a return showing the telegraphic revenue received at the Tarcoola post-office?

Senator PLAYFORD.—I shall make inquiries and place the return upon the table if I can.

## PAPERS: PRINTING COMMITTEE.

Senator KEATING laid upon the table the following paper:—

Report of Pacific Cable Conference, 1905.

Ordered to be printed.

Senator PLAYFORD (South Australia—Minister of Defence).—I beg to lay upon the table the following paper—

Report of the Governor of South Australia on his visit to the Northern Territory.

I move—

That the paper be printed.

Senator DOBSON (Tasmania).—I wish to take advantage of this opportunity to ask the leader of the Senate whether he will make an inquiry as to the work which the Printing Committee is or is not doing? I understand that for some weeks or months the Printing Committee has not done any active work, but that a similar body in another place does the work for which it was appointed. In that House, most of the papers which are laid upon the table are referred to the Printing Committee, which meets and resolves what papers should be printed, and reports accordingly. It is most desirable that our Printing Committee should follow that practice, and that we should have an opportunity of knowing that papers which are sought to be printed have been examined by a committee of five or seven men who think that they are worth printing. We are getting into a very loose habit of ordering a document to be printed on the motion of an honorable senator without any one else knowing whether it is of importance or not.

Senator STANFORTH SMITH.—The Senate refused to give the Printing Committee any powers, and it declined to sit.

Senator DOBSON.—I should like Senator Playford to look into that matter, and see if he cannot make a suggestion for bringing the Printing Committee, or some other body, into active work with a view to saving a little money in the printing of documents.

Senator PLAYFORD (South Australia—Minister of Defence).—This is not a matter in which I should be asked to interfere. It is purely one for the Senate to deal with. A Minister has no control over the Senate or its officers. The course adopted in South Australia, might perhaps be adopted here with advantage. In each House of its Parliament, any documents which a Minister lays upon the table, and does not move to have printed, are referred to a Printing Committee. Through its chairman that body brings up a weekly report, which is read by the President or the Speaker, as the case may be, and

which recommends that a paper bearing a certain number and title, should or should not be printed.

Senator MILLEN.—Has not the honorable senator heard the statement that the Printing Committee has declined to act in consequence of the action taken by the Senate?

Senator PLAYFORD.—I do not know that the Printing Committee has ever refused to act.

Senator MILLEN.—Where is the report of the Printing Committee?

Senator PLAYFORD.—It is not for me, but for the Senate to interfere in this matter. The officers are not under the control of the Executive, and therefore I cannot take any special action.

Senator Sir JOSIAH SYMON.—But the Printing Committee was appointed on the nomination of the Government. Cannot the honorable senator take steps to have that body disbanded if it has not done its duty?

Senator PLAYFORD.—No, I cannot. That is a matter for the Senate. I do not know that the Committee was nominated by the Government; but, if so, it was at the request of the Senate. So far from criticising the actions of the Committee, and taking any particular course in regard to it, I say that we have no business to do anything of the kind.

The PRESIDENT.—There has been no request that the Printing Committee should be called together.

Senator DOBSON.—Is it not for the leader of the Senate to take action?

The PRESIDENT.—No; the Government has nothing to do with the Committee. The Senate appointed the Committee, which has never asked that it should be called together. If it had one of the clerks of the Senate would have sent a circular to each of the members.

Senator MILLEN.—Would it be competent for a senator to move that some action be taken?

The PRESIDENT.—Certainly. The Committee is under the direction of the Senate, and will do what the Senate desires it to do.

Senator MILLEN.—But it will not.

The PRESIDENT.—I do not know that it will not. I am informed by the Clerk of the Parliaments, Mr. Blackmore, that nearly all the papers that have been laid upon the table are either in print, or have been ordered to be printed by the

Senate. If that be so, what has the Printing Committee to do? It cannot say that a paper that has already been printed by order of the House of Representatives shall not be printed; nor can it say that a paper ordered by the Senate to be printed shall not be printed. Whether the Committee is to be called together or not is a matter for the consideration of its members, and not for the leader of the Senate, who has no more to do with the Committee than has any other senator.

Question resolved in the affirmative.

Senator PLAYFORD (South Australia—Minister of Defence).—I beg to lay upon the table the following paper:—

Copy of correspondence between the Premier of New South Wales and the Prime Minister re immigration and the Immigration Restriction Act.

Senator STANFORTH SMITH (Western Australia).—I move—

That the paper be printed.

With respect to the Printing Committee, my recollection is that we held one or two meetings.

The PRESIDENT.—Not this session.

Senator STANFORTH SMITH.—No, last session. We drew up certain rules of procedure, came to the Senate, and asked it to invest us with certain powers. We asked for exactly the same powers as the Printing Committee of the House of Representatives was invested with. We arranged that the two Committees should sit together, the chairman of the Senate Printing Committee, and the chairman of the House of Representatives Printing Committee presiding alternately. We asked that all papers laid upon the table should be referred to the Printing Committee, and that the two Printing Committees should jointly decide what should be printed, and what should not. When we brought our request before the Senate, Ministers opposed it, and if I remember rightly, you, sir, also did so.

The PRESIDENT.—No; all I did was to point out that the Senate itself had the ultimate right to say whether a paper should be printed.

Senator STANFORTH SMITH.—If papers laid upon the table of the Senate were not to be submitted to the Printing Committee, but were, at the instance of the Minister or of a senator to be ordered to be printed, it appeared that the Committee would have nothing to do. No papers were submitted to it, and it had no rights or powers whatever. The members of the

Committee considered that it would have been simply foolish to meet under the circumstances. In my opinion there has been great waste and extravagance by the Senate in ordering many papers to be printed which never should have been printed; and which if referred to the Printing Committee would in all probability never have been printed. Some of them, I venture to say, were extremely expensive to print, have never been read by senators, and are practically of no use or interest. It is absolutely useless, however, to have a Printing Committee unless it has some powers. We asked for the same powers as the Printing Committee of the House of Representatives has; and as those powers were not given to us there was nothing for the Committee to do.

Senator PLAYFORD.—What power has the Printing Committee of the House of Representatives?

Senator STANFORTH SMITH.—All papers laid upon the Table of the House are submitted to it.

Senator PLAYFORD.—Does not a Minister sometimes move that a paper be printed?

Senator STANFORTH SMITH.—Not often, I think. I repeat that as the powers we asked for were not conferred, we had no reason for meeting, and consequently have not met since.

Senator Sir JOSIAH SYMON (South Australia).—The situation appears to be this—that the Printing Committee has no duties whatever in respect of papers which are laid upon the table of the Senate, and are ordered to be printed. I suppose that the powers of the Committee come into play only in relation to all papers that may be laid upon the table, but are not ordered to be printed.

The PRESIDENT.—That is the position.

Senator Sir JOSIAH SYMON.—In relation to such papers the Committee could meet, consider them *seriatim*, and make recommendations with regard to their printing.

Senator STANFORTH SMITH.—And make an estimate of the cost.

Senator Sir JOSIAH SYMON.—No doubt. The difficulty with regard to the waste of money in the printing of unnecessary papers is due to the fact that perhaps too great facilities are afforded for the printing of papers. The remedy for that, I say with all deference to my honorable friend the Minister of Defence, is for

the Government to exercise some kind of control over the papers that are ordered to be printed. Some papers are of importance. With regard to others, the members of the Government might move that they be referred to the Printing Committee for its consideration.

Senator DAWSON.—That is the rule now.

Senator Sir JOSIAH SYMON.—It is a rule which is "more honoured in the breach than in the observance." Last year it was the practice of my honorable friend Senator Drake and myself to consider whether any particular paper that was to be laid upon the table ought to be printed or not.

Senator PLAYFORD.—We do the same.

Senator Sir JOSIAH SYMON.—But my honorable friend, with his easy-going good nature, allows papers to be printed that ought not to be printed.

Senator PLAYFORD.—That refers to the previous Government as well as to this one.

Senator Sir JOSIAH SYMON.—My honorable friend adopts a *tu quoque*, which is not very appropriate while we are discussing this question. His remark is not true so far as concerns the late Government, but if it were true it would not enable him to get rid of the duty that rests upon him, and which he has been a little slack in discharging. He has a duty in respect to the Senate and to the Printing Committee. That duty is that when a paper is laid on the table by himself, or by Senator Keating, if a motion is submitted, he shall state whether he thinks it is desirable that it should be printed, or be referred to the Printing Committee. If that course were followed, the occupation of the Printing Committee would not be gone. It would have something to do, and there would be some reason for calling it together. That would obviate unnecessary printing, and would prevent an order of the Senate being made for the printing of a paper without sufficient information as to its value. My honorable friend has the remedy in his own hands.

Senator STEWART (Queensland).—Since I have been a member of the Senate every senator has desired that every paper which was thought worthy of being placed upon the table of the Senate should be printed. If that is the case I do not see where the responsibility of the Government comes in, nor what need there is for a Printing Committee. My contention is that if



any paper is of sufficient importance to be laid upon the table it ought to be printed. Honorable senators cannot be expected to wade through pages and pages of writing and typescript.

Senator HIGGS.—The fact that the printing of documents costs money ought to appeal to the honorable senator.

Senator STEWART.—The cost does not appeal to me. My honorable friend may be one of those "penny-wise and pound-foolish" people of whom we sometimes hear. I do not profess to be one of them. We are here to do the business of the country, and we ought to do it in the best possible way. We cannot be expected to wade through piles of manuscript in search of important facts. The records of the Senate are of sufficient importance for them to be printed. We cannot carry on the government of the country without expenditure, and there is no use in "straining at a gnat and swallowing a camel."

Senator MATHESON (Western Australia).—I share Senator Stewart's opinion that every paper that is of sufficient importance to be laid upon the table of the Senate ought to be printed, and that we ought not to be at the mercy of a Committee which may be influenced one way or another as to the importance of a particular paper. I can instance a case which afforded me considerable annoyance. Last session, or perhaps the session before, a very interesting pile of letters was laid upon the table for our inspection. They had reference to Government House, Sydney. I made some notes from them. Those letters are not now available, because they were not printed. Apparently, they did not reach the hands of the Clerk in the ordinary formal way. They would be particularly valuable in connexion with a series of letters which have been printed. The letters to which I allude were handed to the Commonwealth Government by Sir Harry Rawson, Governor of New South Wales. The letters which have been printed were handed to the Government by the present Government of New South Wales. The two lots of letters throw a most interesting light one on the other. This is a case in point, which shows the desirableness of printing nearly every paper laid upon the table. Senator Smith has raised the question of petitions; and here is an example of what may happen under the present system. Here we have what, to my mind, is an absolutely unimportant

petition, which has been put into print at the instance of the Printing Committee of another place.

Senator DAWSON.—Does not that only show that a joint Committee is required?

Senator MATHESON.—I do not think that a joint Committee is necessary. If an honorable senator succeeds in passing a motion that a return be laid upon the table, he ought to be entitled to have that paper printed, with the sanction of the Senate, and without reference to any Committee. It is obvious that an honorable senator would not submit a motion of the kind unless he were acquainted with the contents of the return, and deemed them to be of value, or desired that they should be circulated for some useful purpose.

Senator DAWSON.—Let us return to the old standing order, which empowered a Minister to move that a paper be printed.

Senator MATHESON.—The Minister, or any honorable senator, has at present the power to move that a paper be printed, and it is for the Senate to agree or disagree; and, so far as my experience goes, that is the best position.

Senator MILLEN.—The logical thing would be to abolish the Committee.

Senator MATHESON.—So far as the functions of the Committee are concerned in sitting in judgment on what has or has not to be printed, it might fairly be abolished. I presume, however, that they have other duties.

Question resolved in the affirmative.

#### APPROPRIATION (WORKS AND BUILDINGS) BILL.

Bill received from the House of Representatives, and, on motion by Senator KEATING, read a first time.

#### IMMIGRATION RESTRICTION ACT.

Senator STANFORTH SMITH asked the Minister representing the Minister of External Affairs, *upon notice*—

1. Has the attention of the Minister of External Affairs been called to the statements constantly made by prominent men in Great Britain that the Commonwealth will have to alter the provisions of her Immigration Restriction Act so far as Japan is concerned?

2. Has the attention of the Minister of External Affairs been directed to an article written by the London correspondent of the *Age*, appearing in the issue of that journal of the 26th August, which contains the following:—"Mr. Archibald Colquhoun, for thirty years a close student of Eastern affairs, and the writer of two books dealing with the commercial and strategic

future of the Pacific . . . appears to assume that Australia will acquiesce without much resistance in whatever course British policy—which will have to comprehend the interests of Manchester, Birmingham, and Liverpool, among other places—may ultimately dictate”?

3. At the Premiers' Conference held in London, in 1897, did the Right Honorable Joseph Chamberlain, in speaking of the Colonial Immigration Acts, say:—“I have seen these Bills, and they differ in some respects one from the other, but there is no one of them, except, perhaps, the Bill which comes to us from Natal, to which we can look with satisfaction. I wish to say that Her Majesty's Government thoroughly appreciate the object and the needs of the Colonies in dealing with this matter. We quite sympathize with the determination of the white inhabitants of those Colonies which are in comparatively close proximity to millions and hundreds of millions of Asiatics that there shall not be an influx of people alien in civilization, alien in religion, alien in customs, whose influx, moreover, would most seriously interfere with the legitimate rights of the existing labour population. An immigration of that kind must, I quite understand, in the interests of the Colonies, be prevented at all hazards”?

4. Is not the Commonwealth Immigration Restriction Act based on the same principles as the Natal Act?

5. Did not the six colonies prior to Federation all have more or less effective Immigration Restriction Acts?

6. Will the Government see that an authoritative denial is given to the press statements referred to, in view of the fact that any misunderstanding may jeopardize the interests of the Commonwealth in the provisions of the proposed renewal of the Anglo-Japanese Treaty?

Senator PLAYFORD.—The answers to the honorable senator's questions are as follow:—

1. The Minister is aware that a few writers have either stated or hinted at such a contingency. Mr. Colquhoun appears to be the most prominent among them.

2, 3, 4, and 5 are answered in the affirmative.

6. It is reported that the Anglo-Japanese Treaty has already been renewed, and an announcement of its terms is expected very soon. In view of the explicit official statement of the Secretary of State for the Colonies quoted in question No. 3, it is confidently concluded that His Majesty's Government is not only acquainted with the sentiment of the Commonwealth in this matter, but appreciates our object and our needs in dealing with this matter.

### HIGH COURT.

Senator STEWART asked the Minister representing the Attorney-General, *upon notice*—

What was the total expense caused by the postponement of the sitting of the High Court in Melbourne, from the 2nd to the 9th of May, 1905?

Senator KEATING.—The amount was £15.

Senator Sir JOSIAH SYMON.—Does that amount include the expenses of the defendants and their witnesses?

Senator KEATING.—I presume not; the questions asked do not deal with that matter.

Senator Sir JOSIAH SYMON.—Does the amount include the heavier fees insisted on by counsel? I ask this question because I dare say Senator Keating is aware that the Crown Solicitor reported that, in consequence of the sudden adjournment, counsel required heavier fees, on the ground that their engagements for the week were put off.

Senator KEATING.—I presume not. I do not know that the Government have any means of demanding that information from counsel.

Senator Sir JOSIAH SYMON.—The Government have the information.

Senator KEATING.—The question asked by Senator Stewart was as to the total expense—that is the expense over which the Commonwealth had any control.

Senator Sir JOSIAH SYMON.—Is the Minister aware that the Crown Solicitor reported that heavier fees were required?

Senator KEATING.—I do not know whether this is a cross-examination or not.

Senator Sir JOSIAH SYMON.—That is not the way in which to answer a question. If the Minister has not the information let him say so.

Senator KEATING.—If the honorable and learned senator wishes for this detailed information, I ask him to give detailed notice.

Senator Sir JOSIAH SYMON.—I shall certainly give notice.

### PARLIAMENTARY ELECTIONS BILL.

Bill presented, and on motion by Senator KEATING read a first time.

### COPYRIGHT BILL.

*In Committee* (consideration resumed from 30th August, *vide* page 1652):

Clauses 2 and 3 agreed to.

Clause 4 (Interpretation).

Senator KEATING (Tasmania—Honorary Minister).—This clause contains definitions of terms which occur in very many places throughout the Bill; and, following the practice that has been adopted on previous occasions in connexion with lengthy measures, and which is in conformity with the procedure of the British House of Parliament, I suggest that the consideration of the clause be postponed

until after the main provisions have been dealt with. In English Bills, the definitions are, or were, usually placed at the end, but in Australia, for convenience more than for any other reason, they are placed at the beginning. If we pass the definitions as they stand, we may find that we have, to a certain extent, circumscribed ourselves in regard to amendments later on in other clauses. I move—

That the clause be postponed.

Senator Sir JOSIAH SYMON (South Australia).—I commend Senator Keating for the wise course he has taken in moving, for the reasons given, the postponement of the consideration of this clause. This is not a Bill for party discussion; and, seeing that we are endeavouring to legislate with a view to practically codifying the law in relation to copyright, and to bringing that law up to date, it is desirable that we should all assist, as far as possible, to that end. It is perfectly possible that all honorable senators may not be present when the other clauses have been dealt with, and clause 4 comes before us again, and I should like to make one or two suggestions with a view to improving definitions which have been introduced. I ask honorable senators to consider the suggestions I make, not merely in relation to this clause, but also in relation to other clauses. I dare say Senator Keating will forgive me for sounding a sort of preliminary note of warning as to the source of a large number of the new clauses. According to a very useful paper which has been circulated, those clauses have been taken, not from any legislation now in force, but from a Bill which has been before only one branch of the British Parliament. We must not, therefore, adopt those new clauses on the assumption that they have any authority from previous legislation, because the Bill in England has never yet been considered by the British Parliament.

Senator KEATING.—The Bill was considered in the House of Lords, and sent on to the House of Commons.

Senator Sir JOSIAH SYMON.—We do not attach overwhelming importance to the fact that a Bill has been considered by one branch of the Legislature.

Senator KEATING.—The gentlemen who did give attention to this Bill in the House of Lords are very able authorities on the subject.

Senator Sir JOSIAH SYMON. — That was in 1900, since which time the measure has remained in the limbo of neglected Bills. We cannot regard it as having passed through the fire of parliamentary criticism, or as having been followed by practical application and experience. These particular clauses have not, therefore, the legislative stamp upon them, nor have we the advantage of any practical experience of their working as a part of the law of the land. They may be good or bad, but I am sure Senator Keating would not ask honorable senators to accept them merely because they happened to appear in the English Bill. They have really no more weight as having been taken from that Bill than have the recommendations of the Royal Commission which sat now thirty years ago, in 1875, and reported twenty-seven years ago in relation to the law of copyright. Its report has for twenty-seven years lain in the archives of the Imperial Parliament, gathering dust. No step in the form of legislation appears to have been taken until the introduction of the Bill of 1900. I take great exception to some of these clauses, and whether they be good or bad in the opinion of others we should apply to them our own original consideration, and adopt them if we are satisfied that their objects, and the methods adopted for carrying out those objects, are good, and not simply because they bear the stamp or imprimatur of the Imperial Legislature, which they do not. I take the opportunity on this clause of making these remarks as applicable to a large number of the clauses which the very useful document circulated amongst us indicates to be clauses taken from the Copyright Bill of 1900 and the Copyright (Artistic) Bill of the same year. With regard to this clause itself, I invite Senator Keating to consider between now and the time at which he will submit it to the acceptance of the Committee, whether the word "author" should not be defined. There is a definition as to what it shall include, and it is provided that it shall extend to the personal representatives of an author, but there is no definition of the word. It seems to me that that is especially necessary.

Senator DAWSON.—Does it not mean the actual author or his representative?

Senator Sir JOSIAH SYMON.—I think Senator Dawson will find that the definition might be improved, and it should

be inserted in the interpretation clause, instead of in another part of the Bill. I suggest to Senator Keating also that throughout the definition clause wherever possible he should adhere to the word "includes" instead of using the word "means." For instance, in the Bill it is provided that an artistic work "includes," or an author "includes," whilst a book "means." The word "includes" will give exactly the same effect, and will not shut out the ordinary interpretation.

Senator KEATING.—We should make all the definitions inclusive?

Senator Sir JOSIAH SYMON.—Yes, all inclusive. I have often found that in drafting a measure it is very much more satisfactory to use the word "includes," and I suggest its use for the consideration of my honorable and learned friend.

Senator DAWSON.—How would it apply to a lecture?

Senator Sir JOSIAH SYMON.—There would be no difficulty about that. It is worthy of consideration whether we could not improve the definition of the word "author" in its relation to a lecture.

Senator KEATING.—Whether it means the man who writes or the man who recites?

Senator Sir JOSIAH SYMON.—Whether it is the man who writes, or delivers, or both. There seems to me to be a gap here, and, if possible, we should close it up. I invite consideration of the effect of including "newspaper" in the definition of a "book" in relation to the other clauses of the Bill. Senator Keating will find that it is also included in the definition of a "periodical."

Senator KEATING.—But the two words "periodical" and "book" are not exclusive throughout the Bill.

Senator Sir JOSIAH SYMON.—They are not exclusive, but in looking through the other clauses my honorable and learned friend will find that it will be well to keep to one definition of a particular subject of copyright. If we do not, it will, I think, be found that there is nothing more likely to create confusion in the administration of such a measure as this, which in some respects is more intricate and complex than is a Patents Act than a departure from that principle. We should define the word "book" as including "newspaper," or the word "periodical" as including "newspaper," and not have two different words defined to include the same thing. Then in the defini-

tion of "lecture," I do not quite know what is meant by the expression "a piece for recitation." A piece for recitation would ordinarily mean a poem written by some one else, an arrangement of poems, or an arrangement of some rhetorical and eloquent piece of prose. The phrase is not very intelligible to me. In offering some observations on the second reading of the Bill, I referred to the definition of "publication." The matter is the subject of considerable discussion in the *Publishers' Circular* of May last, in which some questions are asked indicating this difficulty, which I invite my honorable and learned friend to consider. We know that a number of books are published for private circulation. We know also that there are a number of literary societies—Shelley, Shakspeare, and Browning societies, and a number of others. There are also scientific societies, which issue their proceedings and reports to members and subscribers only. In addition, they sometimes publish works which may be out of print for the benefit of their members and subscribers, and issue them to those persons only. In the case of books printed for private circulation, the result will be that if that private circulation does not amount to publication, and we do not make it publication, the copyright will not begin to run.

Senator DAWSON.—The book will not be "up for sale."

Senator Sir JOSIAH SYMON.—What I am suggesting is that we should make it publication.

Senator PEARCE.—Does not the expression "or the first distribution of copies of it" cover that?

Senator Sir JOSIAH SYMON.—I think that probably it was intended to cover it. What I suggest is that after the words to which Senator Pearce has called attention, there should be added the words "whether marked for private circulation or not, and whether to subscribers or to private friends or not."

Senator DAWSON.—The honorable senator is proposing to penalize a free gift.

Senator Sir JOSIAH SYMON.—No: what we are dealing with is the law of copyright. On the one hand, we desire to protect the interests of authors, and on the other hand we wish to give the community the benefit of these books. The same mischief is created if the author of a book

should make an edition of, say, twenty copies. No one else has the right to reprint that book. He has made his publication, and if he has sold his copyright, the result will be that the first edition of the book will increase enormously in value, and if it suits the publisher, ten years afterwards, when the value of the book has increased enormously, he may publish another very limited edition, and the general public will be unable to secure the book at all. So it is with books published for private circulation. Many persons adopt this course from a retiring disposition, and unwillingness to offer themselves to public criticisms—to seem to be publishing a book for sale—and for various other reasons. Some of them forget that the public have also an interest in their books, and that their benefit to the community must be considered as against the rights of the authors.

Senator PEARCE.—Would not the honorable senator's proposal play into the hands of those who would keep their books from the public?

Senator Sir JOSIAH SYMON.—No; if they are published for private circulation only, there are two things which will result: they will remain the private property of the author, and no copyright attach to them. No other person can print them. On the other hand, if such a distribution is declared to be publication, then the author will be entitled to the copyright from the date of that distribution.

Senator PEARCE.—And he can make his own terms as to the publication of such books?

Senator Sir JOSIAH SYMON.—Exactly in the same way as the author of any other book. But if he publishes for private circulation, the copyright does not begin to run against him until publication for the public.

Senator PEARCE.—But he could not prevent any one pirating his book.

Senator Sir JOSIAH SYMON.—Certainly he could, because it would not be public property.

Senator PEARCE.—Under the common law?

Senator Sir JOSIAH SYMON.—Yes, under the common law. We step in with our legislation and give him a legislative copyright from the moment of publication to the world; but if he keeps his hand on the book and marks it private

there is no publication. That is a difficulty which has already arisen, and a perfectly impractical proposal has been suggested in America to make two kinds of copyrights, one a sort of private copyright, and the other a public copyright. That, of course, is only introducing complexity. My own view is that the expression, "or the first distribution of copies of it" may cover my suggestion. Probably it was so intended; but it should be made more clear.

Senator KEATING.—That was the intention.

Senator Sir JOSIAH SYMON.—I am sure it must have been the intention, because it is the modern idea that if there is a system of copyright established there should not at the same time be something else which would give an absolute right to deprive the public of the benefit of the work, which is in reality published, although not technically.

Senator DAWSON.—Will the definition of pirated book meet the difficulty?

Senator Sir JOSIAH SYMON.—That does not touch the point, because there is no copyright. This provision relates to books which are circulated amongst friends for private use. There is no copyright in the books, and they cannot be reprinted by any one but the authors. What I suggest is to make it quite clear whether they are marked for private circulation or not, and whether issued to subscribers or to private friends or not.

Senator KEATING (Tasmania—Honorary Minister).—I am very glad to have had the advantage of the criticism of some of the definitions by Senator Symon. But while I do not agree in every instance that there is a necessity for any of the alterations he has indicated, still everything he has said will receive the fullest consideration, and I can assure him and others that the whole subject-matter of the clause will receive the best possible attention before it is again considered, in order that it may be framed in such a way as to give proper effect to the desire of Parliament. With regard to the criticism which Senator Symon directed to the sources of many of these clauses—the clauses in the Copyright Bill and the Copyright (Artistic) Bill—I agree with him that they have not yet received the stamp of legislative authority. While one of these Bills was passing through the House of Lords, it was dealt with by gentlemen than whom perhaps few men in

the Empire are more qualified to speak on this important department of law. The honorable and learned senator has said that for that reason we should be to some extent chary in giving the same force and consideration to these clauses as we would if they were the substance of an enactment which had borne the test of experience. That is perfectly correct, but at the same time I would take this occasion to remind honorable senators that in the instances in which we have taken advantage of these clauses, we have not in many cases slavishly followed their verbiage. In some instances, as they will see by reference to the memorandum, we have taken the substance of the clauses and improved upon them, as we think. In other instances, the clauses have been adopted perhaps bodily, but most of these clauses were not new, and contained nothing novel or original or the part of their framers. They were merely a concise expression of the common law on the subject, as it has been determined during the last century or more, by the judicial interpretations given by the various courts. Honorable senators may think sometimes that, in adopting a clause practically as it stood in the Copyright Bill, we were subject to the criticism which has been levelled at us by Senator Symon, that we were adopting something for which there is no legislative warrant, and which has not had the actual test of experience. But during the course of their inquiries, the Royal Commission to which he referred, and which sat some twenty-seven or thirty years ago, not merely confined themselves to the existing statute law, but considered the operation of that law, how it affected the public generally, authors, and publishers, and also how it had been interpreted from time to time by the various judicial tribunals. Where it was possible, as it was in many instances, to get from the number of cases in which there was no conflict a clear and correct expression of a principle of law, they adopted it, and put it in a concise form, making it statutory instead of common law. In such instances, I think we have been perfectly justified, so long as the verbiage was all that could be desired, in adopting clauses which are merely a concrete expression of the common law. In circulating this memorandum, and drawing the attention of honorable senators to similar provisions elsewhere, we are not seeking by any means to wrongly impress on their minds

—*ator Keating.*

that the clauses which in many instances have been the sources of these provisions, have anything like legislative authority. I think that the only reason why they have not the force of legislative authority is that assigned by Mr. Scrutton, whom I quoted in my second-reading speech, that the block of business in the House of Commons has for many years been so great, and there are subjects of such party and vital interest arising there every day, that matters of this character are, by the greater number of honorable members, practically looked upon as being of an academic character.

Senator Sir JOSIAH SYMON.—The copyright law of England, although distributed over a great number of Acts, is a very satisfactory one.

Senator KEATING.—Yes, but it is very difficult for any person, who does not apply himself to its study for a great length of time, to become familiar with it in detail.

Motion agreed to; clause postponed.

Clause 5 agreed to.

Clause 6—

No copyright, performing right, or lecturing right, shall subsist under this Act in any profane, indecent, seditious, or libellous work or matter.

Senator Sir JOSIAH SYMON (South Australia).—"Profane" is a very vague term indeed to use. I do not know what it means. Of course, we are accustomed to the expression "sacred and profane literature." I think that the word blasphemous expresses what we intend shall not have the benefit of copyright. I move—

That the word "profane" be left out, with a view to insert in lieu thereof the word "blasphemous."

Senator KEATING (Tasmania—Honorary Minister).—I have no objection to the amendment, because I think the word "blasphemous" is more explicit than the word "profane." The distinction between sacred and profane is one that might vary, according to the standard of each person. Moreover, the word "blasphemous" is used in connexion with the subject in most of the English text books.

Senator STEWART.—What is the definition of the word blasphemous?

Senator KEATING.—In many instances the Courts have determined what does and what does not constitute blasphemy.

Senator STEWART (Queensland).—I can see that unless we have a definition of this word serious injury may be done to

certain persons. I would suggest the omission of the words "profane" and "blasphemous." I do not see why my freedom of thought should be restricted in that direction.

Amendment agreed to.

Senator Sir JOSIAH SYMON (South Australia).—I move—

That the word "indecent" be left out, with a view to insert in lieu thereof the word "immoral."

Senator Keating will recollect that a good many years ago it was decided, in the Bradlaugh case, that unless the work was of a very grave and prurient character the word indecent could not be applied. This was laid down in the case of the prosecution of the book entitled *The Fruits of Philosophy*. Of course, all such books would be covered by the expression "immoral." I do not think that any one of us desires that an immoral publication, so decided by the Courts, ought to be the subject of copyright.

Senator KEATING (Tasmania—Honorary Minister).—I do not see that it would be an advantage to substitute the word "immoral" for the word "indecent," because, however wide and vague the term "profane" may be, the term "immoral" is still more wide and vague. The question of morality, or immorality, especially in connexion with literature, is one upon which it would be very difficult to get any two minds to agree. There are books which are written in the ordinary course, and read very widely by persons of both sexes and of all ages. To the minds of some persons, these works are perfectly pure and moral, but to the minds of others they are highly immoral. The term "immoral" is too wide and comprehensive, and likely to be subject to many different interpretations. If the word "indecent" does not meet with the approval of the Committee, the word "obscene" might meet the cases with which we wish to deal, but I think the word "immoral" is capable of too varied an interpretation.

Senator Sir JOSIAH SYMON.—I think it would be better to use the word "obscene."

Senator DOBSON.—Is not the word "indecent" used in many of our Crimes Acts?

Senator KEATING.—Yes; and if honorable senators wish to strengthen the clause we might insert also the word "obscene."

Senator Sir JOSIAH SYMON.—I would not do that.

Senator KEATING.—The word "immoral" is one the meaning of which we should never be able to be certain.

Senator Sir JOSIAH SYMON.—Will the honorable senator quote clause 4 of the English Bill?

Senator KEATING.—The Copyright Bill as passed through the House of Lords, in clause 4, sub-clause 4, contained the words "any profane, indecent, seditious, or libellous book." The word "immoral" would be too varying a term. One might, for instance, ask for the opinion of the public generally as to the twelve most immoral books that have recently been published; and I venture to say that perhaps 80 or 100 books would be heavily voted for as coming under that description. Some books which have been published within the last five years are considered by some people to be immoral, whilst other members of the community take quite a contrary view. It will be convenient to adhere to the words of the Copyright Bill as passed by the House of Lords as far as possible, so that in the event of the Imperial Parliament hereafter passing this legislation, our measure will be uniform with theirs.

Senator DE LARGIE (Western Australia).—I trust that the Government will not agree to the insertion of the word "immoral." If that were done we should be brought face to face with difficulties arising through the indefiniteness of the word, and should never know where we were. The word "immoral" is often used with regard to political works. I have heard it applied to the teachings of Henry George, and to the single tax.

Senator Sir JOSIAH SYMON.—That is political immorality; but that is not the sense in which the word is here used.

Senator DE LARGIE.—It is an instance of the vagueness of the word. I am afraid that if it were inserted in this Bill, many such hair-splitting definitions would be given, and we do not know what injustices might be done. The word "indecent," or "blasphemous," would be far more definite than the word "immoral." It would never do to put in an Act of Parliament a word that would lead to so much difference of opinion. I can quite believe that Senator Symon, looking at the matter from a professional stand-point, might like to insert a word that would lead to much

profit to the lawyers, but we do not want to make our Acts of Parliament a means of increasing the number of cases in the law courts.

Senator KEATING.—This clause would apply to plays as well, and it would be a very difficult question in such a case.

Senator DE LARGIE.—It is very difficult to say where the immoral aspect of a play arises.

Senator GIVENS.—The word "indecent" is almost as vague.

Senator DE LARGIE.—To my own satisfaction, I can interpret the word "indecent," but I should have some difficulty in saying what was immoral.

Senator Sir JOSIAH SYMON (South Australia).—My honorable friend Senator de Largie stopped when he was getting most interesting. I thought he was about to define the word "indecent," but he abstained from that exceedingly interesting effort. I frankly confess that if I could think of any word that would carry out the sense and intention of the Legislature better than the word "immoral," I should prefer it. My idea, of course, is to avoid those consequences to which my honorable friend alluded, as leading to undue litigation. We ought to see to it that the language of our Acts of Parliament is so expressed that the possibilities of dispute are as far as possible avoided. What impresses me in relation to the word "indecent" is this: There is very great difficulty in saying to what books it applies.

Senator GIVENS.—How would "prurient" do?

Senator Sir JOSIAH SYMON.—I think that would be better than "indecent," but "immoral" is the best word of the three. The word "indecent" is extremely difficult to define in relation to the law of copyright, so as to exclude from its benefit the authors of productions which may be described as indecent. I do not think, for instance, that any one would wish to give the advantage of copyright to books like *The Fruits of Philosophy*. There may be a demand for books of that character greater than for other books which could be mentioned. What we want to stop is the making of such books a profitable property in the hands of their authors. For myself, I say at once that such a book as *The Fruits of Philosophy* should not have the advantage of copyright. That is what we ought to stop.

when a prosecution took

place as to that book, the point was raised as to its being an "indecent publication," and the prosecution failed. It was not regarded by the Court as indecent; and, therefore, such a book would be protected by copyright, and the consequent profits from its sale would go into the pockets of the author.

Senator O'KEEFE.—Would not the result have been the same if the term used had been "immoral"?

Senator Sir JOSIAH SYMON.—No, I think not. The word "immoral" is much wider, and would have enabled the Court to say that the book was a violation of the law, and came within the definition of "immoral book." But as the word used was "indecent," the Court said that the publication was not an indecent one; it was an immoral book, but not indecent in the legal sense of the term as being calculated to arouse passion. It is from that point of view that I think "immoral" is the better word for the purpose of preventing copyright being extended to books which are in a grosser sense immoral. We can all attach a definition to the word "immoral," and it would be for the Court to say whether a book came within the legal definition or not. Senator Keating says that the word is too wide to use in a law of copyright, by which we are giving a property to authors in their books. I think it would be better to have a larger and wider word than "indecent," which has been subject to decisions and has been found practically to be insufficient. My honorable friend said something in regard to plays which might be regarded as having immoral tendencies. But we cannot stop that. It is not the purpose of this Bill to stop anything of that kind. Its purpose is not to give a property to the author of a production which violates certain conditions. My honorable friend also said that we should retain the word "indecent" in order to secure uniformity with the Bill which was passed by the House of Lords. But we have not that uniformity yet, and the probability is—or, at least, there is a possibility—of that word, in the light of the decision in the Bradlaugh case, being eliminated, and another more effective word for the purpose we have in view being substituted. If my honorable friend feels strongly about the amendment, I will not press it, but ask him to reconsider the point, so that we may have another oppor-



tunity of dealing with it; and I am quite sure that he will see that we require some other word than "indecent," which has been tried and found wanting, not for the purpose of preventing the publication of books or dramatic pieces which a hypersensitive man might regard as having an immoral tendency, but of preventing works having that tendency acquiring copyright and thereby becoming a profitable property to their authors.

Senator GIVENS (Queensland).—We should be careful not to insert any provision which may take away an author's right to his own productions simply because of any feeling of prejudice which may exist in the mind of the general public. It must be remembered that some of the finest writers of the race to which we belong have at various times written books which a great many people have regarded as both immoral and indecent; and even now classics of the English language are held to be open to that condemnation. Take Byron, for instance. Some of his finest works are commonly set down as sensual, and a great many people look upon them as being highly indecent and immoral.

Senator DE LARGIE.—The same can be said of the Bible.

Senator PEARCE.—And of the works of Shakspeare.

Senator GIVENS.—I had intended to allude to those books. Some of the finest descriptive poetry in the English language was written by Byron, and occurs in his *Don Juan*, which is usually regarded as most sensual, and by some as the most indecent and immoral work of poetry we have in the language. Even Shakspeare, who is recognised as being perhaps the greatest poet and dramatist the world has yet produced, has written passages which very many people would say are absolutely immoral and indecent.

Senator Sir JOSIAH SYMON.—Even if there were one questionable passage, nobody would say that a poet's works were immoral or indecent on that account.

Senator GIVENS. — A poet does not publish his works *in globo*, but may issue them in fugitive pieces at a time. I do not think that Byron ever published more than two cantos of *Don Juan* at a time, and that poem is held to be immoral and indecent by the prudes of the com-

munity. It would be unfair for any Parliament to attempt to limit a genius in that way.

Senator O'KEEFE.—Does the fact that Byron wrote the poems make them less indecent or immoral?

Senator GIVENS.—The general community have recognised that Byron's works are only immoral and indecent to the prudes of the community.

Senator O'KEEFE.—That would apply to the work mentioned by Senator Symon.

Senator GIVENS.—Almost every poet is open to the same charge at the hands of the prudes, and I might name Shakspeare, Pope, Shelley, and others. Even Robbie Burns, the immortal Scotch poet, is regarded in some quarters as immoral and indecent in some of his poems. I would suggest the word "prurient" as being better than "indecent," because it has a far stronger meaning. I am sure we have no desire to give any property in a prurient work.

Senator Sir JOSIAH SYMON.—I do not think anybody would publish a book which was indecent within the definition in the Bradlaugh case.

Senator GIVENS.—But the owner of the copyright might be put to considerable expense and trouble by having to resort to litigation in order to establish his rights. There are people who regard a nude statue as indecent; but, of course, a work of art of that kind is only indecent to the prudes.

Senator Sir JOSIAH SYMON (South Australia).—I have suggested the substitution of the word "immoral," but I shall not persist with the amendment if Senator Keating is of opinion that the word "indecent" is sufficient. What we desire to do is to prevent the acquisition of a valuable property in a book which comes within a particular description.

Senator KEATING (Tasmania—Honorary Minister).—I have listened to the remarks of various honorable senators, and I am still of opinion that it would be very undesirable to substitute "immoral" for "indecent." The word "immoral" is wide and vague, and capable of being variously interpreted according to the individual charged with the interpretation.

Senator Sir JOSIAH SYMON.—Surely we do not wish to give copyright in an immoral book?

Senator KEATING.—Quite so. I have not with me the decision in the Bradlaugh case; but I know that many points of law

assisted in its final determination. I should like to point out the way in which this clause is most likely to be brought into operation. Clause 13 provides—

Copyright shall subsist in every book, whether the author is a British subject or not, which has, after the commencement of this Act, been first published in Australia, before or simultaneously with its first publication elsewhere.

Under that provision, if a book of an immoral or indecent character is first published in Australia, or, in Australia simultaneously with its publication elsewhere, there is copyright without registration. The question of determining whether or not a book is immoral or indecent, and, as such, is disqualified from copyright, will most likely arise when some private individual pirates the book, and the author or owner of the copyright takes proceedings to restrain him, or brings an action for damages for infringement. In such a case, the defendant would set up the defence that the plaintiff was not the owner of a copyright, because the book was of an "immoral" or "indecent" character—whichever word may be used. Such a case would hardly ever arise, unless the book was of such a strong character, either immorally or indecently, that some private individual, from the knowledge he had of it, regarded it as not entitled to copyright; and then it would come under the consideration of the Court. Under the Bill, when an author or owner of a copyright desires to bring an action for damages or to restrain piracy by injunction, he has first to register; and the registrar might hold a book to be immoral. It would then be impossible for the author or alleged owner of the copyright, to sue at all, unless he obtained from a Judge a mandamus or a rectification order compelling the registrar to register, and that mandamus or order, of course, would be on the grounds that the book was not immoral. When we consider how this clause is likely to operate, with the word "indecent" in it, it does not seem likely that anybody will be able to get copyright in an immoral publication. Even if we inserted a stronger and wider term, such as "immoral," it would still be necessary for some third party to take action in the nature of piracy, before the question could arise. An owner of a copyright in a book published in Australia would, as I say, not have to register until his rights were infringed, and he wished to take action. If, on the other hand, the book was not published under the provision of the sub-section I have just

*Senator Keating.*

quoted, but was produced abroad, and the author wished to get the benefit of the international provisions of this Bill, he would come here with his certificate. I do not think that even if we made the amendment suggested, and an author came from abroad with an immoral or indecent book, he could be denied the benefits of the international registration, because we are bound by the reciprocating terms of the Berne Convention. Under the circumstances, I think it is perfectly safe to use the term "indecent," because, whether we use one term or the other, and split straws as to what is or what is not immoral, it will still remain for some individual in the community to take action, before the question of the immorality or indecency of a work can be decided. And no individual would take action unless he felt that he could pirate the book without any danger, on the ground that it was not entitled to copyright under clause 6. No one would pirate a book because he thought it immoral, or on the border line, but would wait until its character was bad enough to enable him to pirate it on the ground that it was what we call indecent. After all, the censor in the community would be the individual who wished to take advantage of this clause, in order to make some profit himself, and to be able to defend himself from an action for piracy on the ground that the book was of such a bad character that it came within the prohibition of clause 6.

Senator Sir JOSIAH SYMON (South Australia).—Senator Keating is quite right in saying that the question of the moral character of a book would arise when some body attempted piracy, and the author endeavoured to prevent him. But Senator Keating has missed the point, which is that a copyright gives a valuable property to the person who writes the book, and that, if copyright be withheld on the ground of indecency, there will be no inducement to people to write indecent and immoral books. What we are legislating for is to do justice to authors by converting an intangible thing, in which there is no property under certain circumstances, into a tangible and profitable possession. There are certain productions which we ought not to make valuable, and, therefore, we withhold the temptation to write books on the assumption that they will be a profitable property. Books are written in order that they may be sold; and if there is no temptation to write them, the possibility of

piracy does not come into play. No doubt if such books were copyrighted, the question would arise as between the pirate and the original author, but we wish to stop the writing and publication of them, or, at any rate, to withhold from them a profitable copyright. The probability is that when this matter is further considered, it will be found to be desirable to eliminate the word "indecent." I have suggested a word which has a definition and a scope that would prevent a copyright being acquired for a book of the particular description under discussion.

Senator KEATING.—State legislation may do much in the way of restricting the printing of such books.

Senator Sir JOSIAH SYMON. — But it would not take away the property in the copyright, and might be interpreted differently from Commonwealth legislation. The word "indecent" appears to me insufficient, and I admit that the word "immoral" is open to criticism as to its scope. I cannot think of a more appropriate word, though "prurient" is very good. The matter had better be given further consideration before we vote as to a change.

Amendment, by leave, withdrawn.

Clause, as amended, agreed to.

Clause 7 (Application of the Common Law).

Senator Sir JOSIAH SYMON (South Australia).—I see no reason to legislate that the common law of England shall apply, but a clause of this kind at once raises a doubt as to whether it prevails here. The common law of England is in full force unless altered by Statute; and, in my opinion, the clause ought to be eliminated.

Senator KEATING (Tasmania—Honorary Minister).—This clause deals with unpublished literary compositions, that is, with the manuscripts of authors. In its strictest sense one could hardly say that the law dealing with unpublished literary manuscript is copyright law because copyright law does not come into force in its truest sense until a manuscript has been published. But this is a subject which has always been considered cognate to the law of copyright.

Senator Sir JOSIAH SYMON.—We do not alter the law of England with regard to unpublished manuscript.

Senator KEATING.—There are several curious features of the law dealing with unpublished manuscripts, but they are all dealt with by the text-book writers on the subject of copyright. For instance

if an author becomes bankrupt his unpublished literary manuscript does not pass to the trustee or assignee in bankruptcy, whereas his copyright does. Again, so far as manuscript is concerned, an assignment of it does not of itself carry with it to the assignee the right to publish it. There are other peculiar features about it, but the main point in connexion with us and with this clause is that according to the law at present, if an author does not publish his manuscript and it gets into the hands of any one else, he has the power at common law to restrain the publication of that manuscript. In order to do that he has to invoke the intervention of a Court. If we pass this Bill without this clause, and an author were to take out an injunction in a Victorian Court to restrain some person from publishing his unpublished literary manuscript that injunction would have force and effect throughout the State of Victoria only. If the person prohibited from publishing that manuscript went to South Australia, there would be nothing to prevent him disregarding the injunction of the Victorian Court, and publishing it there.

Senator Sir JOSIAH SYMON.—But that does not touch this Bill. The clause does not deal with procedure.

Senator KEATING.—Undoubtedly; but at present the common law of England with regard to unpublished manuscript does not apply throughout the Commonwealth as one area.

Senator Sir JOSIAH SYMON. — Undoubtedly it does. The common law of England applies throughout the Commonwealth except where it has been altered by Statute.

Senator KEATING. — It applies throughout the Commonwealth in the sense that it applies throughout the six different States. Some few years ago Mr. Arnold, who brought some plays out here, took proceedings in New South Wales, by means of an application for an injunction, to restrain a man from infringing his performing rights in those plays. He succeeded in getting a common law injunction in restraint of this man.

Senator Sir JOSIAH SYMON.—It would be an injunction in equity.

Senator KEATING.—I understand that he took out a common law injunction to restrain this man from infringing his performing right; but the man got across the Queensland border, and then snapped his fingers at the injunction.

Senator Sir JOSIAH SYMON. — Arnold could have taken the same action in Queensland.

Senator KEATING. — But he would have had to go to Queensland to do so.

Senator Sir JOSIAH SYMON. — So he would if this clause were passed.

Senator KEATING. — No; I submit that if we pass this clause the common law will apply throughout the Commonwealth.

Senator Sir JOSIAH SYMON. — This will not affect procedure.

Senator KEATING. — Undoubtedly the passing of this clause will make the common law apply throughout the Commonwealth as one area, and then any injunction which might be obtained in a competent Court in any one of the States to restrain publication by a certain person of the unpublished literary manuscript of another would operate not merely in that State, but throughout the whole of the Commonwealth.

Senator Sir JOSIAH SYMON (South Australia). — I must say that I have been staggered to hear my honorable and learned friend attempt a defence of this clause. I say, after the very greatest consideration, that he has confused two things—procedure and the operation of the principles of common law. It is quite an elementary thing, and a point with which I am sure my honorable and learned friend is familiar, that the common law of England applies throughout the whole of the Commonwealth.

Senator KEATING. — As a Commonwealth?

Senator Sir JOSIAH SYMON. — As a Commonwealth. It applies throughout the Commonwealth and in every State. Every student, as my honorable and learned friend must know perfectly well, recognises that as an elementary principle. Then the honorable and learned senator says that if steps are taken to protect unpublished manuscript in one State, and an order is made restraining its publication, that order is not operative in another State. I do not know whether that is so or not, having regard to the various steps we have already taken to facilitate procedure by making the orders and judgments of one State operative and enforceable in another. But that is a question of procedure; it has nothing whatever to do with the operation of the common law, and this clause does not touch it at all. It is a declaration which seems to me to suggest a blemish on what we hope will be an exceedingly good Bill. We

are, in this clause, making a declaration which will stamp us as forgetful of the ordinary principles of the law, and as practically noodles — a declaration, not regulating any procedure, as that might be done in another way, but that the common law of England applies, unless altered by the laws of the Commonwealth. Of course, that is so. We brought here the common law of England when Australia and every State of it was founded. That common law applies throughout every inch of our territory, whether within a State or within the ambit of the Commonwealth. It remains until we alter it. We can alter the common law as applicable to Australia, but until we do so it remains in force. It is of no use to deal with this Bill from the point of view of trying to be critical, and I do not propose to deal with it in that way. I have not examined the Acts relating to execution and process, and the enforcement of judgments. There is Commonwealth and State legislation on that subject; but the introduction of a provision of this kind is, I think, without precedent. I doubt whether my honorable and learned friend can mention any Act which this Parliament has passed, in which it is stated that the common law of England shall apply unless altered by our legislation. It does apply.

Senator KEATING. — It might not apply throughout the Commonwealth, because there might be State legislation on the subject.

Senator Sir JOSIAH SYMON. — But all such State legislation on the subject comes to an end immediately we pass this Bill. That is the object of it. State legislation and Commonwealth legislation on the same subject cannot stand together.

Senator KEATING. — I beg the honorable and learned senator's pardon.

Senator Sir JOSIAH SYMON. — Surely my honorable and learned friend understands his own Bill?

Senator KEATING. — Yes, I do.

Senator Sir JOSIAH SYMON. — This is a Bill to give effect to our powers, as the Parliament of the Commonwealth, to legislate on the subject of copyright, and the moment it becomes law away goes all State legislation on the subject, except as regards existing rights, which, of course, are protected, as they should be. It would be a distinct blemish on this Bill to provide that the common law of England shall apply when

we know that it does, except where we alter it. As to procedure, I say nothing, because that is another matter. But that the common law is the same here as in South Australia, and will be the same after the passing of this Bill, is absolutely undoubted, and we should not by the insertion of such a provision throw any doubt on the subject.

Senator KEATING (Tasmania—Honorary Minister).—I pointed out, during the course of the honorable and learned senator's remarks, that in the absence of this provision, the common law of England need not necessarily apply in regard to unpublished literary manuscript throughout all the States.

Senator Sir JOSIAH SYMON. — It must apply.

Senator KEATING.—It may have been varied by existing State legislation.

Senator Sir JOSIAH SYMON.—That State legislation comes to an end entirely when we pass this Bill.

Senator KEATING.—I differ entirely from the honorable and learned senator on that point.

Senator Sir JOSIAH SYMON.—Will Senator Keating look at clause 8?

Senator KEATING.—The next clause deals only with the question of copyright, and at the beginning of my remarks, in opposing the suggestion that we should strike out this provision, I pointed out that the subject of unpublished literary manuscript in its entirety is cognate to that of copyright, rather than a subject wholly within the domain of copyright in the truest and strictest interpretation of that term.

Senator Sir JOSIAH SYMON.—It is not copyright at all.

Senator KEATING.—It is not, but it is an adjunct, so to speak, of copyright, and precedes it.

Senator Sir JOSIAH SYMON.—It is not an adjunct; an unpublished manuscript is a man's own property.

Senator KEATING.—I put it in this way: that the law with regard to unpublished literary manuscript has a distinct relation to copyright. The preparation of the manuscript necessarily precedes publication, and the law regarding manuscript is necessarily connected with that of copyright being antecedent to it.

Senator Sir JOSIAH SYMON.—A manuscript is a man's own property as much as is his table or his chair.

Senator KEATING.—Exactly. There are peculiar characteristics with regard to manuscript to which I have already referred, which do not apply to a copyright. I have shown that it does not pass to a trustee in bankruptcy, and that its assignment does not carry with it the right to publish.

Senator Sir JOSIAH SYMON.—That is all by law. We do not alter that.

Senator KEATING.—We do not alter it, but in the absence of this provision with regard to unpublished literary manuscript, we should leave the law with regard to the publication of manuscript still within the domain and the province of the several States. They may still legislate on the subject, and different laws dealing with it may be passed by different States. In such a case a person who would get a copyright under this Bill in one State would perhaps start under disadvantages as compared with another person starting from a different point in another State. So we propose to make it plain and explicit that, subject to this, and any other Acts of this Parliament, the common law of England, with regard to unpublished literary manuscript shall remain in force and effect throughout the Commonwealth. With regard to procedure, I again repeat that when we make this matter the subject of Commonwealth legislation, with which the States cannot hereafter interfere, we provide for uniform procedure throughout the Commonwealth.

Senator Sir JOSIAH SYMON.—We cannot provide for procedure in this Bill.

Senator KEATING.—We can make a basis for it when we legislate on the subject in this Bill.

Senator Sir JOSIAH SYMON.—We are not legislating on this subject. Fancy legislation on the subject of the ownership of a piece of paper!

Senator KEATING.—The honorable and learned senator will not deny this proposition: That if we leave this clause out it will remain within the province of every one of the States to place on the statute-book specific and varying legislation with regard to the subject of unpublished literary manuscript.

Senator Sir JOSIAH SYMON.—We cannot touch it in this Bill any more than we can deal with the ownership of a table or a chair.

Senator KEATING.—I think we can.

Senator Sir JOSIAH SYMON.—The honorable and learned senator will find it difficult to give his authority.

Senator KEATING.—We can provide in this Bill, which deals with copyright, that the common law of England with regard to it in any particular shall remain in force, subject to this and any other Act of this Parliament, throughout the whole of the Commonwealth; and if we do so, we shall have taken from the States for all time the jurisdiction to deal with that particular subject of legislation. It must be remembered that in these matters the States have concurrent jurisdiction with the Commonwealth.

Senator Sir JOSIAH SYMON.—The Commonwealth has no jurisdiction in regard to that subject at all.

Senator KEATING.—I submit that it has.

Senator Sir JOSIAH SYMON.—Where do we get it?

Senator KEATING.—We have it as something incidental to the execution of our powers of jurisdiction in the matter of copyright.

Senator Sir JOSIAH SYMON.—But it is not copyright.

Senator KEATING.—I am certain that we have jurisdiction in regard to this matter. I again point out that, construing the term copyright in its strictest and most rigid sense, this is a matter which does not wholly and entirely come within copyright law, as it has been and always must be dealt with in connexion with copyright law.

Senator Sir JOSIAH SYMON.—No, it has not. A reference to it in a copyright law does not prove that it can be dealt with under a power to enact copyright law.

Senator KEATING.—I will ask my honorable and learned friend if he can refer me to any extended treatise on the law relating to unpublished literary manuscript which is not found in a text-book dealing with the law of copyright. This has always been considered as an adjunct of the law of copyright, just as have the questions of a performing right, and other rights which have grown up from time to time. I think it is desirable to provide that the law in regard to unpublished literary manuscripts so far as they may found copyrights shall subject to our legislation be uniform throughout the Commonwealth, and not to leave it to the States to legislate in the future on this subject divergently, and so to a very great extent nullify at its very

source the advantages of uniformity that we are trying to insure for those who will get copyright under this Bill.

Senator Sir JOSIAH SYMON (South Australia).—I am afraid that we are going to make a fiasco of the Bill at the very outset. When I pointed out that the common law of England applies throughout the whole of the Commonwealth—that every State, with every person therein, is covered and clothed with the common law of England, unless it has been altered by Statute—my honorable friend questioned that statement; but I think he now admits its truth.

Senator KEATING.—I say that the common law does not apply throughout the Commonwealth as one area.

Senator Sir JOSIAH SYMON.—Are we to cut it up into bits? As the whole is made up of its different parts, I should say, without any refining or hair-splitting, that the common law applies throughout the whole.

Senator KEATING.—A man would have to take six remedies to get redress.

Senator Sir JOSIAH SYMON.—That is procedure. I think every honorable senator, whether lawyer or layman, must understand the elementary principle that the common law applies throughout Australia, and that until it is altered we must abide by it. But now my honorable and learned friend says that an unpublished manuscript may be dealt with by any State under its ordinary law of property. Undoubtedly that is so. But an unpublished manuscript has nothing to do with the question of copyright. An unpublished manuscript of mine is just as much my property as my purse or penknife, or table, or chair. It only comes under the influence of copyright when it is published. This Bill defines what publication is, and provides that copyright shall only subsist from the time of publication. If that is the case, an unpublished manuscript is not subject to the law of copyright. My letter or manuscript is just as much my property as any other article which belongs to me, and of course as a subject of legislation it is within the ambit of the States. The clause is objectionable as a blemish on the Bill, because it declares that to be the law by virtue of a Statute, which is the law by virtue of our being part of the British Dominions. If the Bill is to deal with unpublished manuscripts, and we are to pass a provision which

is to apply throughout all the States, and to supersede the State law in relation to unpublished documents, we are doing something which we have not power to do. Our only power of legislation on this subject is as to copyrights. We have no power to enact that a document which belongs to me in South Australia shall or shall not be my property. The Commonwealth is not empowered to say that my unpublished literary work shall not be my property, or shall be dealt with by some other law than that of the State of which I am a citizen. If Senator Keating could show that the unpublished letters of a man are not his own property as much as are his goods and chattels, then there would be some force in that part of his argument. When we look at what our powers are, inasmuch as copyright only begins to operate on publication, everything antecedent to publication is private property. That point has been settled over and over again. In South Australia the other day an action was brought to restrain a soda-water manufacturer from using a recipe surreptitiously taken from a manuscript book by an employé of another soda-water manufacturer. An injunction was granted, and damages were awarded. An account had to be kept, and the former had to pay up the profits he had made, if they could be ascertained, on the ground that the manuscript book was the private property of its owner, just as much as his chairs and bottles, and that the copying of the recipe by his employé, and handing the copy over to another person, was literally theft. On the other hand, I can give an illustration of a case of copyright which is a totally different thing. The late Mr. Gladstone published a book which was called *The Bulgarian Horrors, or the Question of the East*. Instructed by Mr. Gladstone, I appeared in the Supreme Court of the State, and got an injunction against certain publishers in Adelaide, because the property of copyright attached to the book. We are legislating as to one class, the authors of such books. We are not legislating, and have no power to legislate, as to the other class represented by the owner of the unpublished book containing the recipe for making sodawater. If we leave this clause in the Bill we shall go beyond our power, if it is for the purpose mentioned by Senator Keating. If, on the other hand, it is not for that purpose, we are asserting a position which is undoubted.

Senator KEATING (Tasmania—Honorary Minister).—So far from the clause being possibly a blot on our legislation, I would say to honorable senators that if it be omitted we shall have a very serious gap in the Bill. I am well aware that, with regard to the question of the ownership and disposal of property, whether it be a table or a chair, or an unpublished literary manuscript, the States will still have the full measure of legislative jurisdiction which they have hitherto enjoyed. But once an unpublished literary manuscript gets out of the hands of the author, he has a power to restrain the publication of it without his authority. But how must he exercise that power? If an author invoked the jurisdiction of a Victorian Court, and obtained an injunction to restrain the publication of his manuscript—and bear in mind that, under this Bill, the moment it is published a copyright will subsist in it for some one—the publisher might go to another State, snap his fingers at the injunction, and publish the manuscript again. It would be necessary for the author to follow him from State to State, and invoke the jurisdiction of a competent tribunal in each.

Senator BEST.—Could he not go to the Federal Court?

Senator KEATING.—The author and the publisher may be the citizens of one State. Senator Symon said that the common law of England operates throughout the Commonwealth. His argument was that the effect of an injunction in one State would be to restrain the person enjoined from publishing anywhere throughout the Commonwealth.

Senator Sir JOSIAH SYMON. — I never said so.

Senator KEATING. — The honorable and learned senator said that the common law of England applied throughout the Commonwealth as one area.

Senator Sir JOSIAH SYMON.—The other is procedure; not the common law.

Senator KEATING.—I said the common law of England does not apply throughout the Commonwealth as throughout one area, but it applies throughout the six different States.

Senator Sir JOSIAH SYMON.—Surely the honorable and learned senator, as a lawyer, does not seriously state that proposition?

Senator KEATING. — In the second edition of his *Australian Constitutional Law*, Mr. Justice Clark, at page 192, has this

passage on the Constitution of the Commonwealth and the common law—

But as the supreme depository of Executive authority in the Commonwealth, the Crown possesses prerogative rights and powers which have their source in the common law. It is therefore evident that a portion of the common law attaches to the Constitution of the Commonwealth. But, except in relation to the Executive powers of the Crown, it is submitted that there cannot be any Federal common law in Australia, and that the Federal Courts of the Commonwealth will not possess any jurisdiction under the common law.

So that without this provision there would be no court of competent jurisdiction in Australia except State Courts to preserve to the author of an unpublished literary manuscript his common law rights against others imperilling his copyright, and the State Court could only give redress within its ambit.

Senator Sir JOSIAH SYMON.—This clause will not give any more common law jurisdiction to the High Court than it had before.

Senator KEATING.—So far as unpublished literary manuscripts may be affected by the law of copyright—and they may be affected by publication unauthorizedly—we provide in this clause that, subject to this or any other measure we may pass, the common law of England shall apply throughout the Commonwealth as one area. The common law in this detail is made the statute law of the Commonwealth, and the Federal Courts will then have a Federal jurisdiction in relation to the rights which are perpetuated by the Bill, from which we prevent the different States hereafter from making divergence by their own legislation. If we leave the matter to the States it is quite possible that hereafter some of them might legislate so that persons starting off to acquire copyright by publishing previously unpublished manuscripts, would be on different levels.

Senator PEARCE.—That would be only in case of publication.

Senator KEATING.—Copyright would only arise after publication. We want to make the present English common law Federal common law.

Senator Sir JOSIAH SYMON.—We cannot do it.

Senator KEATING.—We can, and we are doing it by this Bill in such a way that the different States will not be able to legislate upon this particular branch of the subject in its relation to copyright.

Senator Sir JOSIAH SYMON.—They could legislate in regard to unpublished manuscripts.

Senator KEATING.—I am not dealing with ownership, but with the question of publication. It is when a literary manuscript is first published that the law of copyright applies to it. It may be authorizedly, or unauthorizedly published. If it is unauthorizedly published, and we have no legislation of this kind, the person whose rights are infringed may have to seek the intervention of half-a-dozen different States Courts. We want to obviate the necessity of his having to hunt round from State to State after some one who has published his manuscript. We want to give our Federal Courts jurisdiction. But the Federal Court as a Federal Court cannot exercise any common law jurisdiction. The jurisdiction must be conferred upon it by the statutes of the Commonwealth. Much as my honorable friend Senator Symon may smile at the assertion, I feel confident that if we do not insert this provision in the Bill, we shall be guilty of a very serious omission which might interfere with the rights of authors. We are providing, therefore, that whatever on this point exists in Great Britain as common law—and which exists so far as I know in each of the States separately—shall be statute law throughout the Commonwealth, and that our Federal Courts shall have jurisdiction in such matter as being a matter of Federal statute law.

Senator Sir JOSIAH SYMON (South Australia).—I will tell the Committee in a sentence or two what the point is from which my honorable and learned friend Senator Keating, as I think, diverged very greatly. He says that it is necessary to pass this clause in order to give the Federal Courts jurisdiction. All that I can say is that he will not give the Federal Courts jurisdiction in any shape or form by this clause. If they had no jurisdiction before, they will have none after we have passed the clause. We are dealing with proprietary rights in unpublished literary compositions. The term "proprietary rights" is simply a large expression for ownership. We mean the ownership of unpublished literary compositions just as we might refer to the ownership of goods and chattels or of tables and chairs. This clause says that the common law of England relating to proprietary rights in unpublished literary com-



positions, shall apply throughout the Commonwealth. The common law which exists in Australia is the common law of England. That being the case, what is the power in Australia that deals with the ownership of private property? The States. That power has not been taken from them. They have power to tax unpublished literary manuscripts just as they have power to tax anything else. My honorable friend says that the object of this clause is to take that right right away from them. Suppose a State has passed an Act which says that the ownership of an unpublished manuscript shall be in some one else than the author. It has a perfect right to legislate in that manner. We have no power to take that right away. Our only power is to deal with copyright which affects publication authorized by the owner of the manuscript. If a manuscript is published without the authority of the owner, he does not lose his control over it. He has an absolute right to stop the publication; just as the person from whose private book a recipe was copied by some one who had no right to it, was enabled to obtain protection and damages. If this clause would assist authors in any way whatever, I should not say a word against it. But we have no power whatever to take away the right of a State to legislate with regard to an unpublished manuscript. The matter is beyond our jurisdiction. Any lawyer would agree that the common law of England affecting private property applies here unless altered by Statute.

Question—That the clause stand as printed—put. The Committee divided.

Ayes	...	...	...	16
Noes	...	...	...	7
<hr/>				
Majority	...	...	...	9

#### AYES.

Best, R. W.	Keating, J. H.
Croft, J. W.	O'Keefe, D. J.
Dawson, A.	Playford, T.
de Largie, H.	Smith, M. S.
Dobson, H.	Stewart, J. C.
Findley, E.	Story, W. H.
Givens, T.	
Guthrie, R. S.	<i>Teller</i>
Higgs, W. G.	Henderson, G.

#### NOES.

Fraser, S.	Symon, Sir J. H.
Gray, J. P.	Walker, J. T.
Matheson, A. P.	<i>Teller.</i>
Pulsford, E.	Millen, E. D.

Question so resolved in the affirmative.

Clause agreed to.

Clause 8—

1. The State Copyright Acts shall not apply to any book, dramatic or musical work, lecture, or artistic work in which copyright, performing right, or lecturing right, subsists under this Act.

2. Subject to Part II of this Act, nothing in this Act shall affect the application of the laws in force in any State at the commencement of this Act to any copyright or other right in relation to books or dramatic or musical works or lectures, or artistic or fine art works acquired under or protected by those laws before the commencement of this Act.

Senator Sir JOSIAH SYMON (South Australia).—Immediately this Bill becomes law the States laws, of course, will be superseded.

Senator KEATING.—So far as copyright is concerned, but some of the States laws deal with other matters also.

Senator Sir JOSIAH SYMON.—Subject, of course, to the protection of existing secured rights. The intention of the first sub-clause is fairly plain—that is, it is to abrogate the effect of States Copyright Acts.

Senator GIVENS.—The Constitution does that.

Senator Sir JOSIAH SYMON.—It is not intended that the States Acts shall remain in force, or be administered, except in regard to rights that are safeguarded; but the language of sub-clause 1 of clause 8 might leave it to be inferred that the States Acts remain in force, though they shall not apply to any book as to which copyright subsists under this Bill. With a view to removing that objection, I move—

That sub-clause 1 be left out, with a view to insert in lieu thereof the following:—“(1) After the passing of this Act no copyright shall be acquired, or be capable of being acquired, under or by virtue of any State Act.”

Senator KEATING (Tasmania—Honorary Minister).—I am not in a position to say that I can accept the amendment, even on the assurance that it will achieve exactly the same object as that which the sub-clause as it stands seeks to effect. When moving the second reading of the Bill, I particularly referred to clauses 8 and 12, and pointed out that some representations had been made by Mr. Anderson, of the Public Library, Sydney, to the Premier of New South Wales, to the effect that this Bill would in some way derogate from the rights of that State and that institution. In order that there should be no possible idea in the mind of any person that it is intended to override

any rights which the States are entitled to enjoy, I announced that I intended to submit amendments in both the clauses that I have mentioned. Those amendments have been in circulation for some days; and I do not think that Senator Symon ought now to ask me to accept a new sub-clause, which none of us but himself and the Clerk have seen. Senator Symon must surely realize that I cannot accept such an amendment at the table, but that I must have some time for consideration, and, possibly, consultation with those who have assisted me in drafting the Bill. What it is desired to effect will be properly effected by the sub-clause as it stands, together with the amendment of which I have given notice.

Senator Sir JOSIAH SYMON (South Australia).—I quite respond to what Senator Keating has said as to my calling on him to choose between the two. If the honorable senator does not see his way to accept the amendment, I shall not press it to a division. I took a division before on a very important clause, and the result guides me to the course I should adopt in regard to any other amendments. Much as I am anxious to assist the Minister, I should not be disposed to press amendments in a Bill of this kind, the responsibility for which rests entirely with the Government. My desire is to assist the Government; but if honorable senators think that because an amendment emanates from this side it ought to be immediately rejected, I shall not put them to the trouble to divide.

Senator KEATING.—I do not suggest that.

Senator Sir JOSIAH SYMON.—Honorable senators opposite were, many of them, not present during the debate. I am willing to accept the situation, because the responsibility rests with the Government; and those who sit behind the Government are perfectly entitled to vote in accordance with what the Government desire, and to share that responsibility. However, Senator Keating will have an opportunity to consider the amendment that I have moved, the object of which is practically to give effect to the provision of the Constitution that this Bill, if it becomes law, shall supersede existing States legislation. The Constitution operates quite irrespective of any provision of this kind in the Bill, but it is a simple way of declaring that no copyright shall be acquired under any State Act after this Bill comes into operation.

Senator FRASER.—Would not this Bill effect that object without a clause of the kind?

Senator Sir JOSIAH SYMON.—Yes, but it is just as well to have a declaration on the face of the measure. In substance this Bill was in existence under the auspices of the late Government, though it had not then been revised. It is quite obvious that the words of the sub-clause as it stands imply that as to books, dramatic works, lectures, or artistic work, if there are any, in which copyright does not subsist under the Bill, the States Acts are still to remain in force. The sub-clause implies that there are some kinds of copyright or productions to which copyright may attach under a State Act after we have legislated.

Senator MILLEN.—An author might have a choice.

Senator Sir JOSIAH SYMON.—That might be so, and the sub-clause will tend to litigation if it be left obscure, as it is at present. What it is intended to declare is that no copyright shall be acquired under any State law after this Bill comes into operation. The amendment appears to me to be a great and distinct improvement, which will remove all obscurity and prevent possible litigation and doubt—certainly doubt, if not litigation. What we all desire to do is to revise and polish our Bills so as to make them perfectly clear.

Senator BEST (Victoria).—Will Senator Keating explain in what way a State Copyright Act could apply to any books, performing rights, lectures, or artistic work registered under this Bill?

Senator GUTHRIE.—The clause says, "subsists," not "registered."

Senator BEST.—Both words mean practically the same thing.

Senator KEATING.—There is a great deal of difference between a subsisting copyright and a copyright acquired by registration.

Senator Sir JOSIAH SYMON.—Registration is merely evidence of the copyright.

Senator KEATING.—No.

Senator BEST.—I agree with Senator Symon that the clause as it stands seems to create a degree of embarrassment. It indicates that some rights exist in regard to books, either registered under or governed by the Bill; and the fact that the Constitution itself provides that Commonwealth legislation shall prevail, increases the embarrassment. It is desirable that there should be some declaration in the form suggested by Senator Symon. I do not mean

to say that a declaration is absolutely necessary, but if we are to have one, it ought to be of a definite character, and not the hybrid provision now presented.

Senator KEATING (Tasmania—Honorary Minister).—In reply to Senator Best, I point out that the sub-clause deals only with books, dramatic and musical works, lectures, and artistic work in which copyright “subsists” under the Bill. The principle of the Bill is that copyright, lecturing right, performing right, and other rights of that character subsist in every individual instance in which the publication, first performance, or first delivery has taken place in Australia, or when such first performance, or delivery and so forth, has taken place simultaneously in Australia with the first performance or delivery elsewhere. The rights enure in those instances by virtue of the fact that the first performance or publication takes place here, and then the right “subsists under this Act.” In such cases no registration is necessary. The only case in which it is necessary to register is where a man has so acquired a copyright or performing right, and wishes to sue; then he must register before he takes action.

Senator BEST. — How can a State law apply?

Senator Sir JOSIAH SYMON.—A State law cannot apply.

Senator KEATING. — Does Senator Symon say that a State law cannot apply?

Senator Sir JOSIAH SYMON.—Certainly not to a Commonwealth copyright.

Senator KEATING.—Well, let us see. In some of the States Acts there is a similar provision that copyright shall subsist, for instance, in a book first published in the State. That law is in force in those States at the present time, and we provide here in this Bill that copyright shall subsist throughout the Commonwealth in a book first published in Australia. The point might be raised whether, in the case of a copyright subsisting under a State law, prior to Federal legislation, by virtue of first publication in the State, the State law would continue to operate in regard to a book published in that State subsequently to the passing of the Bill, as well as the Commonwealth law.

Senator BEST.—That would be a most undesirable state of affairs.

Senator KEATING. — This Bill is an endeavour to provide against such a state of affairs.

Senator BEST.—But the Bill only goes half-way.

Senator KEATING.—We are providing that States Copyrights Acts shall not apply to any book, dramatic work, and so forth, in which copyright “subsists under this Act.” It is provided that when a book is published in Australia, copyright subsists under this Bill, and then the States Copyright Acts that are in force now, and which, to some extent, may be in force hereafter in the particular State in which a book is first published, shall not operate to give any rights in that State in addition to the rights given by the Commonwealth legislation. I do not know yet the exact wording of the amendment suggested or how far it will meet the case.

Senator Sir JOSIAH SYMON.—The honorable and learned senator will find that it meets the very point to which he has been referring.

Senator KEATING.—I think that Ministers and honorable senators generally might have been given a better opportunity of considering an amendment of this character than is afforded by the procedure adopted. Senator Symon proposes to provide that—

After the passing of this Act no copyright shall be acquired, or be capable of being acquired, under or by virtue of any State Act.

In Tasmania, we have a Patents, Trade Marks, and Industrial Designs Act, and there is provision made in that Act for acquiring copyright in industrial designs. There is provision made in similar Acts in other States for acquiring copyright in industrial designs. In some of the States the main Copyright Act, apart from the State Patents Act, makes provision for a limited term of copyright in industrial designs. This Bill has no reference to industrial designs, therefore, if we pass this amendment we shall provide that, after the passing of this Bill, no copyright in designs shall be acquired or be capable of being acquired under or by virtue of any of those State Acts.

Senator Sir JOSIAH SYMON.—The other words must be read into the amendment, of course.

Senator KEATING.—That is only one instance which occurs to my mind, and the amendment, if agreed to as it stands, would leave us with a Copyright Bill dealing with certain subjects, and would provide that hereafter no copyright could be acquired in industrial designs. If the amendment

had been circulated earlier it is probable that other objections might have suggested themselves.

Senator O'KEEFE.—Why not postpone the clause?

Senator KEATING.—We might have been given an opportunity for further consideration of the amendment.

Senator MILLEN.—The honorable and learned senator will not take the opportunity.

Senator KEATING.—If the honorable and learned senator is very desirous of pressing his amendment, which, after all, is one of form, and not of principle, and which the honorable and learned senator admits is intended to effect the same object which the clause purports to effect, and which, in my opinion, it does effect, I shall have no objection to postpone the consideration of the clause until after we have dealt with other clauses. It is obvious that the honorable and learned senator has overlooked the matter of industrial designs, and possibly there may be other objections to his amendment.

Clause postponed.

Clause 9—

1. There shall be a Registrar of Copyrights.
2. The Governor-General may appoint a Deputy-Registrar of Copyrights, who shall, subject to the control of the Registrar of Copyrights, have all the powers conferred by this Act on the Registrar.

Senator Sir JOSIAH SYMON (South Australia).—I suggest that it might be well to give the Governor-General power to appoint one or more Deputy-Registrars of Copyright. It might be found desirable to appoint a Deputy-Registrar of Copyright in each State. I suggest that after the word "appoint" the words "one or more" should be inserted.

Senator KEATING (Tasmania—Honorary Minister).—I point out that the clause, as it stands, effects the honorable and learned senator's object, because the Acts Interpretation Act provides that the singular shall be taken to denote the plural.

Senator Sir JOSIAH SYMON (South Australia).—I am obliged to the honorable and learned senator for referring me to that Act. The provision referred to merely implies that even where the singular was used in certain instances the Governor-General might appoint several, and not that he could appoint one or more; that is to say, one in one State and one in another.

Senator MILLEN (New South Wales).—Surely Senator Keating does not mean to construe the Acts Interpretation Act so as to suggest that a power given to appoint one officer involves a power given to appoint more. Would the honorable and learned senator say that a power to appoint a High Commissioner would be a power to appoint a dozen High Commissioners? I suggest that the common-sense reading of the provision is that where we confer the power to appoint one specified officer, that power cannot be exceeded. Senator Keating's answer to Senator Symon shows that the honorable and learned senator has considered the matter, because he contends that the clause provides for the appointment of more than one deputy registrar. I have not much doubt myself as to whether it does, but if there is a doubt it is desirable that it should be made clear. I move—

That the word "a," line 2, be left out, with a view to insert in lieu thereof the words "one or more."

Senator DOBSON (Tasmania).—I think that Senator Keating will do well to accept the amendment. I do not read the Acts Interpretation Act as meaning that the singular denotes the plural in a case of this sort. Senator Millen has shown that the result of such a construction of the Act might be disastrous. I think that Senator Keating will have some difficulty in showing that in this instance the singular denotes the plural.

Senator KEATING (Tasmania—Honorary Minister).—I think the clause as it stands provides for what Senator Symon desires. It provides that the Governor-General may appoint a deputy registrar, and I think that includes more than one deputy registrar if the appointment of more than one is found to be desirable. With regard to the suggestion made by Senators Millen and Dobson that this interpretation would lead to very undesirable results, I point out that the Acts Interpretation Act provides that—

In any Act, unless the contrary intention appears, words in the singular shall include the plural.

If we are to pass a High Commissioner Bill I can assure honorable senators that if the Bill is brought down by the present Government the contrary intention will very clearly appear in it.

Senator Sir JOSIAH SYMON.—So it does in this Bill. "A" means "one."

Senator KEATING.—“A” is singular, and “one” is singular.

Senator MILLEN.—Could the Governor-General appoint more than one registrar?

Senator KEATING.—He might, unless the contrary intention appears in the Bill. The Bill provides that there shall be a deputy-registrar of copyrights, and I contend that the Governor-General might appoint a deputy-registrar of copyrights in each State. However, I have no objection to the amendment, though I think the clause as it stands is clear enough.

Amendment agreed to.

Clause, as amended, agreed to.

Clause 10 (Copyright Office).

Senator MILLEN (New South Wales).—As I have been somewhat alarmed by the Minister's statement as to the wide powers which may probably be given under the previous clause by a certain reading of the Acts Interpretation Act, I should like to have the honorable and learned senator's assurance that the singular is not intended to denote the plural here, and that we shall have but one Commonwealth Copyright Office, and not several.

Senator KEATING.—I think the intention is clearly indicated in this clause.

Clause agreed to.

Clause 11 agreed to.

Clause 12—

The Governor-General may, by proclamation, declare that, from and after a date specified in the proclamation, the administration of the State Copyright Acts of any State shall be transferred to the Commonwealth and thereupon—

- (a) the State Copyright Acts of the State shall, so far as they have any relation to copyrights, cease to be administered by the State, and shall thereafter be administered by the Commonwealth so far as is necessary for the purpose of completing then pending proceedings and of giving effect to then existing rights, and the Registrar shall collect for the State all fees which become payable thereunder; and

Senator KEATING (Tasmania—Honorary Minister).—I move in accordance with notice—

That after the words “of any State,” line 4, the following words be inserted—“so far as they relate to the registration of the copyright in any book, the performing right in any musical or dramatic work, the lecturing right in any lecture, and the copyright in any artistic or fine art work, or to the registration of any assignment or grant of, or licence in relation to, any such right.”

The object of the amendment is to make it abundantly clear that we only endeavour to transfer the administration of States

Copyright Acts in so far as they relate to the subject of copyright, performing right, lecturing right, and the registration or assignment, or the licensing of any such right. Honorable senators will remember that previously I made reference to some criticisms levelled at the Bill by the Librarian of the Sydney Public Library. The Copyright Act of New South Wales provides, amongst other things, that a copy of every publication issued in the State shall be supplied to that institution, and also, I believe, to the Sydney University. In conformity with that provision, the former is supplied with about 340 newspapers, and is thereby enabled to keep records which hereafter may be of very great value and interest. I do not know that the Bill as it stands would in any way interfere with the right of the institution to get these publications, because our legislation would not be inconsistent with, or repugnant to, the State law upon the point. But if it were, it would still be competent for the State Parliament, apart from the question of copyright, to require the publishers of a work in New South Wales to supply a copy thereof to certain institutions. But in order that it might be made abundantly clear on the face of this Bill that it was not intended to interfere with such existing rights, I gave notice of my intention to move certain amendments in this clause. I may mention again that this matter was first brought under my notice by the Librarian of the Melbourne Public Library. He has seen these amendments, and thinks that, so far as that institution is concerned, they are eminently satisfactory, and meet the case.

Senator MILLEN. — Can he justify the levying of this tribute on authors and publishers?

Senator KEATING.—This tribute, if the expression may be used, is levied, not as a condition precedent to the acquisition of copyright, but pursuant to the legislation of the State. The provision happens to be contained in its Copyright Act. I do not think that all the publications of which these libraries get copies are copyrighted. If this measure be passed, we could not prevent a State from imposing upon a printer or publisher within its jurisdiction the necessity of providing certain institutions with a copy of his publications. It is provided in clause 74 of this Bill that any applicant for the registration of the copyright in a book shall deliver to the Registrar two copies of it—one to be

forwarded by him to the Librarian of the Commonwealth Parliament, and the other to be retained by him until otherwise prescribed. At the present time, in order to get copyright in Victoria, New South Wales, and Western Australia, an applicant has to deposit one book or more in each State. I cannot say from memory exactly how many books have to be deposited in order to get copyright in the United Kingdom; but not very long ago as many as eleven or twelve libraries, including the British Museum and certain Universities, had to be supplied with from five to nine copies each.

Senator MILLEN (New South Wales).—I had anticipated that the Minister would have ventured to justify the idea of levying tribute upon those who may seek to get the benefit of this measure.

Senator GUTHRIE.—Yes, but we do not wish to interfere with a State Act.

Senator MILLEN.—There is no particular compulsion upon us to affirm that we approve of the provision in the State Act, or wish to continue it.

Senator GUTHRIE.—We do not wish to take the right away from the States.

Senator MILLEN.—The Minister wishes to continue the right to the States.

Senator KEATING.—No. I do not think if we passed the Bill as it stands we should deprive the States of it. I said that this amendment was only introduced for the sake of more abundant certainty.

Senator MILLEN.—I entirely differ from the honorable and learned senator. It seems to me to approach the height of meanness to attempt to levy this tribute upon the authors of books or publishers of newspapers. In a circular, which he has addressed to honorable senators, Mr. Anderson, of the Sydney Public Library, has pointed out that these newspapers and other documents become valuable. If they become valuable, let the public who use the institution pay for them. I can quite understand any one arguing that, inasmuch as a Copyright Act would confer a considerable advantage upon an author, therefore he might reasonably be asked to pay for it. Let us openly charge an author a fee for the benefit we propose to confer upon him. But after we have granted copyright to a man, do not let us turn round and insist upon him contributing to an institution a copy of his book, or of his newspaper. This appears to me to be a species of loafing. I cannot conceive that in private business we would attempt to

justify such a proceeding. It is a little worse than a secret commission, because we are taking something by arbitrary authority, which I do not think we can justify. Let me point out how unfairly this tribute is imposed. Let us compare the case of a man who has published a remarkably valuable book with the case of a man who has published a book which can be purchased for sixpence. Here the tribute is not equitably levied. If a contribution is to be exacted from an author, as a return for the protection he gets, let it be exacted in proportion to the value of his work. This tribute must be a heavy tax upon an author who has published a limited number of copies of an expensive book. Where a man has published a sixpenny edition of a work he is really not taxed when he is asked to supply a copy to certain institutions. For that reason, I am extremely disappointed that the Minister has not made it clear to me, if he has to others, that there is some justice underlying the law which is said to exist in New South Wales, and which I affirm he is seeking to perpetuate.

Senator PULSFORD (New South Wales).—I am compelled to disagree somewhat with the remarks made by Senator Millen. I must have a little sympathy with Senator Keating for having brought in amendments specially to oblige the Librarian of the Sydney Public Library. The Premier of New South Wales has sent to all the members of the Senate, I believe, certainly to all the senators from that State, a statement on the subject. Therefore, it seemed to me that it did not require very much explanation when the Minister did not elaborate his reasons for agreeing to the amendments suggested. It is said by Mr. Anderson that 340 newspapers are published in New South Wales, and that a copy of each newspaper, free of cost, is deposited week by week with the Sydney Public Library. The cost to the newspaper publishers is as near nothing as possible, because the postage rate amounts to about 1d. per dozen. Every newspaper has a number of advertising clients in the metropolis, and has to send down a bundle of newspapers, so that the postage is really trifling. It would be a tax, however, if the Sydney Public Library were called upon to subscribe for a copy of each one of these newspapers. If it was called upon to make a special contribution, the trustees would have to consider whether, after all, it was worth while to spend £500 or £600 a year for the sake of completing

these files. I very much doubt that it would be. But as the newspapers can be obtained at the very minimum of expense to the printers, and will be available for reference in coming years, we should maintain the existing rights of the Public Library. I think that the Minister has only done what is right in recognising the representations of its librarian. Therefore, I trust that Senator Millen will see his way to withdraw his objection.

Senator WALKER (New South Wales).—I am very pleased that Senator Pulsford has spoken as he has done. I regret that Senator Millen does not see that, in some cases, it is a decided advantage to an author that his work can be consulted in the Public Library at Sydney or Melbourne, and that it may thereby gain public appreciation. Unfortunately, there is a great feeling abroad in Sydney that the Federal Parliament, somehow or other, is unnecessarily treading upon the toes of the State. In this case, we would do well, I think, to refrain from accentuating that feeling.

Senator MILLEN.—To please Mr. Anderson?

Senator WALKER.—No, to please the people of New South Wales. My honorable friend is at liberty to go to the Sydney Public Library, and see all these books and newspapers. The Premier of New South Wales has spoken on behalf of the State, and its representatives, as loyal New South Welshmen, ought, I think, to support him.

Senator Sir JOSIAH SYMON (South Australia).—It is with very mingled feelings of pain and pleasure that I find myself in the position of being obliged to support the views of Senator Millen. Whilst I quite sympathize with what Senator Walker has said about the undesirability of this Parliament treading upon the toes of the States, I do not like to see the States treading upon the toes of authors in this very indiscriminate and severe fashion. My honorable friend, Senator Millen, alluded to this practice as loafing. I call it a very undesirable form of blackmail. The Government have apparently yielded to the representations of Mr. Anderson, of Sydney, that these libraries should get publications on the cheap. If public libraries are to have copies of all works published, and if the object be to help an author to gain public appreciation, why not private libraries also?

Senator GUTHRIE.—That is the only way in which some authors could get their books read!

Senator Sir JOSIAH SYMON.—What we are asked to do is to give legislative recognition by the Commonwealth to a practice which it is perhaps quite true the States may be able to enforce in some other way; but the odium ought to be placed upon the States of enforcing a tax of this character on literature. We already insure that an author on securing copyright shall present two copies of his work, one of which goes to the Library of the Federal Parliament. That is a proper thing, because it is a record of the copyright. But it is very different to impose a tax of this kind upon authors, independently of copyright. I do not believe that any State Parliament would consent to pass a law imposing such a tax upon authors. There is no more reason why New South Wales should have two or more copies of a book published in that State than that any other library in the Commonwealth should be similarly treated; except that these people have been getting their books for nothing in the past, and want to get them for nothing in the future. It will be observed that the requirement is that not only shall the author be compelled to present his book in the ordinary binding, just as it may be sold in any shop; he has to present copies "printed upon the best paper upon which the same shall be printed." In these days there are *éditions de luxe* of many books. Copies are printed on hand-made paper. These people wish to exact the finest library copies of an unfortunate author's book. If he happens to print for circulation among his friends a few copies at a higher price than the ordinary copies, he has to present one of the special copies to the New South Wales library. It may be worth 8 or 10 guineas.

Senator PEARCE.—Would the author have to present copies in each State in which there was copyright?

Senator Sir JOSIAH SYMON.—No; the moment the copyright law of the Commonwealth comes into force there is no longer any State copyright. Publication in New South Wales is publication in the Commonwealth. But these people in New South Wales want to retain the right of exacting copies of books published in that State for their libraries.

Senator PEARCE.—We have a similar provision in Western Australia; will not an author have to give a copy of his book to the library there?

Senator Sir JOSIAH SYMON.—He will have to give copies such as he is directed to give under this Bill, just as in England to secure copyright copies of a book have to be handed to certain libraries. To compel authors to give copies to State libraries, as proposed, is simply a pure, unadulterated piece of literary blackmail. I suggest the withdrawal of the amendment, because if the clause is sufficient without it there is no need for it. If the Parliament of New South Wales favours this nefarious proceeding, and chooses to exact a direct tax, let it have the odium of doing so. But we should set our faces against such a system. These great libraries should pay for their books if they want them, and are not entitled to get any help at our hands.

Senator PULSFORD (New South Wales).—I should like to point out that for one book published in an expensive form such as we have heard about, there are other books by the hundred, and there are newspapers by the thousand. That is the main point. I recently published a little pamphlet, and within the last few days have had a few copies bound with strong backs especially to present them to three or four libraries. I gave one to the Public Library in Sydney, and another to the Parliamentary Library here. I am glad at any time for these public libraries to have copies of anything that I bring out. I do not think that Senator Symon himself, if he published anything, would be other than delighted to present copies to the leading libraries.

Senator Sir JOSIAH SYMON.—I always do; but let it be done voluntarily.

Senator PULSFORD.—I say again that for one costly book there are thousands of newspapers and other publications. The intention is principally to obtain copies of newspapers.

Senator MILLEN.—Is it less a tax because it is small?

Senator PULSFORD.—It is scarcely worth calling a tax and it is a fair and reasonable thing to do.

Senator GIVENS (Queensland). — I share the view taken by Senator Millen and Senator Symon. It is not part of the duty of this Parliament to give facilities for any State Government to do what is unfair and unjust.

Senator PULSFORD.—It is not the duty of the Senate to abridge State rights.

Senator GIVENS.—We are not proposing to abridge State rights in any way. The people of the Commonwealth gave us power to legislate with regard to copyright, and I take it that they did not expect us to have special regard to the desires of the libraries of any State. In my opinion, an author should not be subjected to a tax simply because he has to take advantage of the law of the land to define and protect his rights. Why should we with the one hand give an author the protection of copyright so as to protect the products of his own brain, whilst at the same time we compel him to contribute a portion of his property to some person or State? It does not matter whether the publication is worth a penny or a thousands pounds. It is a question of principle. I would also point out that this Bill affects works of art. Must an artist who reproduces a work of art be compelled to give copies to several State institutions? I am strongly in favour of the establishment of public libraries in every town where there is a reasonable population. But these public libraries should be supported at the public expense, and not at the expense of authors. It is a mere matter of loafing on authors to compel them to contribute copies of their works to Government institutions. One of the most popular Australian authors to-day is at present in financial difficulties. Yet not one of these great public institutions would do a thing to help him, although they have lived upon his brains. By their means his best works have been read by thousands of people, many of whom, if they could not have read them in a free library, would have purchased them. Of course, if the management of a public institution purchase their copies of books, they are entitled to use them as they please, and an author cannot complain that his works are read for nothing by the public. But a public institution is entitled to pay for the books which it acquires, and we should not compel authors to give away works which are the product of their brains, energy, industry, and enterprise.

Senator KEATING (Tasmania—Honorary Minister).—I cannot see my way to accept the suggestion to withdraw the amendment which, as I indicated before, was drawn up soon after the Bill was circulated, and after representations had been made to me, but before the instance of the



New South Wales institutions had been brought under my notice. It seems to me that honorable senators misconceive the situation. We are not endeavouring, by this amendment, to impose any tax on authors. As the Bill stood originally, I did not think that it would deprive public institutions of the right to receive the copies referred to in the clause; but in order that there might be no doubt, this amendment has been submitted. Senator Symon referred to the New South Wales Copyright Act, and spoke in harsh terms of what he seemed to regard as a nefarious proceeding.

Senator MILLEN.—Is it not a nefarious proceeding if carried on, apart from copyright?

Senator KEATING.—There is a provision, almost word for word with this, in the South Australian Copyright Act of 1878, except that it provides that a copy shall be lodged at the South Australia Institute, and, in Western Australia, copies of books and newspapers published in that State have to be sent to the Victoria Public Library in Perth. Then, again, in Victoria, copies of every newspaper or book first printed in that State must be sent to the Public Library, and, perhaps, to other institutions. Honorable senators may be under the impression that if the amendment be carried a man who publishes a book in Australia, will, in order to obtain copyright, have to deposit two copies with the Registrar of Copyrights, and also two copies in each State, as required by the law of each State; but that is not so. The fact is that if a book, for example, be first published in South Australia, two copies will have to be furnished to the Commonwealth Registrar, and a copy to the South Australia Institute, according to the present law of that State.

Senator GUTHRIE.—But supposing there is simultaneous publication in each State?

Senator KEATING.—That is not a question for us.

Senator Sir JOSIAH SYMON.—The Minister is making it a question for us by this amendment.

Senator KEATING.—If the South Australia Institute claims a copy of a book on the ground that it is published in that State, and it is objected that the book has been simultaneously published elsewhere, that will be a matter for the two parties to settle under the South Australian State law.

Senator MILLEN.—Then why the amendment?

Senator KEATING.—My amendment will not interfere with the State law in that regard.

Senator MILLEN.—Why submit the amendment if it is not necessary?

Senator KEATING.—I have already explained why I decided to submit the amendment.

Senator Sir JOSIAH SYMON.—The Minister is raising a hornet's nest about himself.

Senator KEATING.—I agree with Senator Pulsford that there has been much exaggeration as to the imposition of a "tax," or the levying of "blackmail," and so forth. Under ordinary circumstances, authors are quite prepared to give some such publicity to each of their works. The amendment will mean, in the case of New South Wales, for example, the deposit of an extra two copies, namely, those required for the Registrar under the Bill. In the case of Western Australia, or South Australia, it will only mean an additional copy that will have to be supplied. There are 340 newspapers printed in New South Wales, which are sent to the Sydney Public Library, and such newspapers have been deposited ever since the State law was put in force. These newspapers form a regular and uninterrupted record of great value; indeed, they are the only record available now for the community of New South Wales in regard to certain matters. The same may be said, I believe, of Victoria. It is desirable that there shall be in each of the States a permanent and continuous collection of records of this character; and it must be remembered that this Bill does not provide that newspapers published in any State shall be deposited with the Registrar. In Western Australia, every newspaper published in that State has been filed at the Victoria Library, in Perth, since the Copyright Act was passed; and, as I have pointed out, the same policy has been carried out in New South Wales, Victoria, South Australia, and, doubtless, in Queensland. In Tasmania there is no provision of the kind, but a copy of every newspaper published in the State must be sent to the Chief Secretary, who keeps the records.

Senator Sir JOSIAH SYMON.—What has the Chief Secretary done that he should be penalized in that way?

Senator KEATING.—I do not know that the Chief Secretary has done anything that he should be penalized. I was told just now by the honorable and learned senator that it was the author who was penalized, though now I am given to understand that it is the recipient. The main object is to preserve the records unbroken.

Senator GIVENS.—At the expense of authors and publishers.

Senator KEATING.—I do not think that Senator Givens can point to a single instance in any of the States where a publisher or author has raised a whisper of a protest.

Senator Sir JOSIAH SYMON.—But under the States laws authors and publishers get copyright in exchange.

Senator KEATING.—This is a matter altogether apart from the question of copyright.

Senator Sir JOSIAH SYMON.—If no copyright is given in return, say, in New South Wales, this amendment will levy a tax on an author for doing that State the honour of publishing his book there.

Senator KEATING.—I venture to suggest, with all respect, that if those authors and publishers, who are described as being penalized, could hear this debate, they would desire to be saved from their friends. After all, once a work is in print, an extra copy one way or the other matters very little; and these contributions of publications are desirable in the interests of the community. The cost is infinitesimal to the individual, while the results are most valuable to the people at large; and we should do well to let matters stand as at present. No heavy burden is imposed, and each State is provided with records which will prove of great value hereafter.

Senator MILLEN (New South Wales).—I cannot appreciate the standard of morality which assumes that an injustice, because it is "only a little one," is in principle less wrong than a big injustice. I have waited for some defence of this amendment, but neither from Senator Pulsford, Senator Walker, nor the Minister have I heard one word to justify the morality of the proposal. Senator Pulsford merely said, as Senator Keating does now, that the charge on those who are compelled to contribute, is infinitesimal. Does that affect the principle? The question is whether this amendment can be justified on the grounds of commercial or any other morality? The

second point raised by Senator Keating is that this is the existing law in the several States. But the Minister, if he did not forget—and I can hardly assume he forgot—at any rate omitted to point out that when authors and publishers are required to present copies to public institutions in New South Wales and elsewhere they do so in connexion with the copyrights granted by the several States. The deposit of those copies is incidental to the application for copyright; but in the future a Commonwealth law will secure them that privilege, and while the Bill very properly requires that a couple of copies shall be deposited with the Registrar, I see absolutely no reason why we should continue to enable the States Governments, who will cease to have any power over copyright, to continue to levy this toll on authors and publishers.

Senator PEARCE.—The States have the power to inflict a tax on knowledge if they think fit.

Senator MILLEN.—Then let the States do so directly. I have no desire to pass any law interfering with States rights; indeed, I always fancy myself as being rather stalwart in the defence of States rights. The effect of the amendment is to perpetuate a practice which, in my belief, cannot be justified. Let me put a parallel case to honorable senators. Would honorable senators entertain for a moment a proposition that, in connexion with applications for patents, a duplicate or model of every invention should be lodged at the Patent Office and the technical school in the State in which the application was made? Would any honorable senator attempt to justify a proposal of that kind? If we were now initiating copyright legislation, would any honorable senator defend a proposal to give the States the right to demand that every work published should be deposited at local institutions? The only reason for the amendment is, as Senator Walker has said, that it represents the State law as at present carried out. Although it is my own State that has moved in this matter, I cannot allow my regard for the interests of that State to compel me to do violence to my sense of what is equitable and just.

Senator PULSFORD (New South Wales).—I had no intention to speak again but Senator Millen's remarks have compelled me to do so. The honorable senator speaks of the immorality and the in-

justice of the proposal. I believe that it is in the interests of the State, that it is just, and that it is thoroughly moral, if the question of morals can enter into the subject at all. In every civilized State strong views are held with regard to the regulation of literary matters. Almost every State does its best to get together as complete a collection of its own literature as it can. This is done in New South Wales and in other States of Australia, and we know that in America and in Great Britain every effort is made to make as complete a collection as possible of the literature of the country. We should hesitate before we do anything to withdraw this right.

Senator Sir JOSIAH SYMON.—We are not seeking to withdraw it. If it be a right we would continue it.

Senator PULSFORD.—The honorable and learned senator is doing his best to prevent this being done, and he impugns even the honesty of the proposal.

Senator Sir JOSIAH SYMON.—What we say is, "Do not perpetuate an iniquity."

Senator PULSFORD.—My object in rising is to show that there is no iniquity other than that which exists in the minds of Senators Symon and Millen. With regard to the matter of cost, Mr. Anderson estimates that if the newspapers filed in the New South Wales library had to be paid for, the expenditure would run into between £500 and £600 a year. I have no doubt that these newspapers do not cost the people who send them to the library as much as £50 per year. I know something of the cost of producing newspapers, and the cost of a single copy of a newspaper is not worth talking about. But if the States Governments were to be called upon to subscribe to every newspaper published in the Commonwealth, it would mean throughout Australia an addition to States taxation of something like £2,000 a year. We are not called upon to take any step which will add that amount to the taxation of the people of the States.

Senator GIVENS (Queensland).—I remember that at one time when I was working on a new gold-field, a mare of mine cast a foal. That foal grew up to be a very fine colt, for which I got a handsome price. The colt did not cost me a farthing, and, therefore, according to Senator Pulsford, I should have given him to the public. That is the honorable senator's argument. He says that as newspapers

do not cost their proprietors very much, they should make a present of them to all and sundry.

Senator PULSFORD.—I did not say all and sundry. I said to the principal library of each State.

Senator GIVENS.—If it is right and equitable that they should be compelled to do that, they should also be compelled to present copies of their newspapers to every library in each State. I have been a publisher of a newspaper myself, and I know that this provision has often caused me inconvenience and trouble, which I would not willingly have undertaken for a couple of pounds. Senator Pulsford has said on the authority of Mr. Anderson, of the Public Library of New South Wales, that the newspapers which that institution is enabled to exact from proprietors amount in value to from £500 to £600 a year. What right have the public of New South Wales to demand that the proprietors of newspapers shall contribute property of that value to one particular institution? New South Wales is a very extensive State, and the people of many important towns throughout the State derive no benefit from the Public Library in Sydney, and many of them very rarely ever see it. Why should the newspaper proprietors throughout that State be penalized for the benefit of a Public Library in one corner of it? I point out that the publication of many country newspapers does not pay as a purely commercial enterprise, and the proprietors of country newspapers have often a hard struggle to make a living. Why should they be subjected to this tax for the benefit of a particular public institution. I agree with Senator Pulsford that it is exceedingly desirable that in all the States every provision should be made for a complete collection of the newspapers and books published in those States, but it should be done at the public expense, and not at the expense of the unfortunate authors and proprietors. If this is done for the benefit of the public, they should bear the burden and should not loaf on newspaper proprietors and authors.

Senator MILLEN.—There are dozens of country newspapers that are merely struggling to continue publication.

Senator GIVENS.—Many of them are enterprises in which public-spirited men have been sinking money for years.

Senator PULSFORD.—They are pleased to have their newspapers kept in the Public Library.

Senator GIVENS.—If they are, why should we hold a pistol to their heads and compel them to send copies of their newspapers to a library when, if it pleases them to do so, they will do so voluntarily?

Senator MILLEN. — The fact that they will not do so is shown by Mr. Anderson's fear of the consequences if this provision is not enacted.

Senator GIVENS.—Of course he fears that it will cost his library £500 or £600 a year. I hope that honorable senators will in this matter do what is fair, and will be guided by what, after all, is only common honesty.

Senator STEWART (Queensland).—I find great difficulty in making up my mind on this question. Listening to the inflammatory language of Senator Symon, who talked of holding a pistol to people's heads, I was filled with zeal to support the honorable and learned senator's contention, but listening later on to the cool, calm, and reasonable language of Senator Pulsford, I came to the conclusion that probably there might be something in the idea of keeping a permanent record in some safe place of all the newspapers and books published in each State. After more mature consideration I really think that there is something in that idea. Of course we cannot have a complete record of this kind in every town in each State, and the capital city of each State is the most convenient place in which to keep such a record. Copies of the newspapers and books published every year in the States might not be of any great value from our point of view, but when a hundred years hence the history of Australia comes to be written, probably by some descendant of Senator Symon or of Senator Smith—if the taste for history is at all hereditary — these records will be found to be most valuable. After hearing the argument, I am inclined to support the amendment.

Question.—That the words proposed to be inserted be so inserted—put. The Committee divided.

Ayes	...	...	13
Noes	...	...	8
Majority	...	...	5

## AYES.

Best, R. W.  
Croft, J. W.  
Dawson, A.  
Dobson, H.  
Findley, E.  
Higgs, W. G.  
Keating, J. H.

Playford, T.  
Pulsford, E.  
Stewart, J. C.  
Story, W. H.  
Walker, J. T.  
*Teller.*  
Smith, M. S. C.

## NOES.

de Largie, H.  
Givens, T.  
Gray, J. P.  
Guthrie, R. S.  
Henderson, G.

Pearce, G. F.  
Symon, Sir J. H.  
*Teller.*  
Millen, E. D.

Question so resolved in the affirmative.

Amendment agreed to.

Amendment (by Senator KEATING) agreed to—

That after the word "thereupon," line 5, the following words be inserted—"so far as is necessary for the purposes of this section."

Amendment (by Senator KEATING) proposed—

That the following words be left out—"so far as they have any relation to copyrights," lines 7 and 8.

Senator Sir JOSIAH SYMON (South Australia).—I think a little explanation from Senator Keating is desirable. The provision as it stands is that—

The State Copyright Acts of the State shall, so far as they have any relation to copyrights, cease to be administered by the State, and shall thereafter be administered by the Commonwealth. But we have inserted after the word "thereupon" the words—

so far as is necessary for the purposes of this section.

Why does he not retain the words "so far as they have any relation to copyrights"?

Senator KEATING. — Because just before the suspension for dinner, we put the provision in the governing part of the clause.

Senator Sir JOSIAH SYMON. — We shall have a very clumsy section if this amendment is made; but we can see the clause when it is reprinted.

Senator KEATING (Tasmania—Honorary Minister).—Just before the sitting was suspended for dinner, we inserted, after the word "State," in the governing part of the clause, that is, before paragraph a, the words —

so far as they relate to the registration of the copyright in any book, the performing right in any musical or dramatic work, the lecturing right in any lecture, and the copyright in any artistic or fine art work, or to the registration of any assignment or grant of, or licence in relation to, any such right.

The insertion of those words, in the first part of the clause, makes it unnecessary for us to put in paragraph *a* or paragraph *b* anything which would be a repetition of that amendment or part thereof. This amendment will materially shorten the clause.

Amendment agreed to.

Senator KEATING (Tasmania—Honorary Minister).—In accordance with notice, I move—

That the following words, lines 10 to 14, be left out—"so far as is necessary for the purpose of completing then pending proceedings and of giving effect to then existing rights."

This also is one of the four amendments of which I gave notice last week, in the one paper, and which are all to effect the same object that we have in view, namely, that the Bill shall only apply so far as it comes in conflict with any of the State laws.

Senator Sir JOSIAH SYMON (South Australia).—I think that greater consideration ought to be given to this amendment. We are asked to omit words which we ought to preserve. The administration of the States Acts will cease, so far as they give anybody copyright the moment this Bill comes into operation; but all existing rights will remain, and for the purpose of effectuating those rights, the administration of the States Acts must be in the hands of the Commonwealth. I cannot understand how the omission of these words is dependent upon the words which were inserted just before the suspension for dinner. All we did in inserting the first amendment was to say that the Governor-General in Council may, by proclamation, declare that on a certain date, the administration of the Copyrights Acts of any State, so far as they relate to registration, shall be transferred to the Commonwealth, but there is nothing in that amendment referring to existing rights, which are to be preserved. I think Senator Keating will see that the only words to preserve existing rights are those which he now proposes to strike out. I suppose there are hundreds of copyrights in operation under States Acts, but these will not be preserved if the present amendment be agreed to.

Senator KEATING (Tasmania—Honorary Minister).—I think that the words I seek to have omitted do not depend upon the previous amendment. I notice that in section 19, the Patents Act of 1903 pro-

vides that on a date to be specified by proclamation—

The State Patents Acts of the State referred to shall, so far as they have any relation to patents, cease to be administered by the State, and the Commonwealth shall thereafter administer the same so far as is necessary for the purpose of completing then pending proceedings and of giving effect to then existing rights.

I think that the words to which Senator Symon has called my attention may be allowed to remain in the clause.

Amendment, by leave, withdrawn.

Clause, as amended, agreed to.

Clause 13—

(2) Copyright shall subsist in every book, whether the author is a British subject or not, which has, after the commencement of this Act, been first published in Australia, before or simultaneously with its first publication elsewhere.

Senator Sir JOSIAH SYMON (South Australia).—The first sub-clause is a very good and complete one, but obviously the words "before or" in sub-clause 2, are unnecessary, because, if a work is "first published in Australia," that must be before publication elsewhere.

Senator KEATING.—Does the honorable and learned senator mean that we should leave out the word "before"?

Senator Sir JOSIAH SYMON.—No. I have a suggestion to make, which, I think, will make the clause more artistic and read very much better. What has to be provided for is the simultaneous publication. Therefore, I move—

That after the word "Australia," line 4, the following words be inserted—"or of which the first publication in Australia is simultaneous with first publication elsewhere."

In clause 5, we have a definition of "simultaneous," which would apply to the next two clauses as well as to this clause. In that clause, the word "simultaneously" is not used, and it is better to adhere to the use of the word "simultaneous" in order to prevent litigation.

Senator KEATING (Tasmania—Honorary Minister).—At first, I was inclined to think that the insertion of these words would do no harm, and might give an artistic finish to the clause, but now I think they would be dangerous. We should be using the word "published" in the first part of the clause, and the words "first publication" in the amendment.

Senator Sir JOSIAH SYMON.—Those words are defined in clause 5.

Senator KEATING.—The words "before or" must remain in, because first

publication in Australia means that the work has first been published in Australia itself. The words "been first published in Australia" do not mean "absolutely published for the first time in Australia," but they mean "the first publication of which in Australia" shall be before or simultaneously with first publication elsewhere.

Senator Sir JOSIAH SYMON (South Australia).—I think that my honorable and learned friend is mistaken. "First published in Australia" means first published here of all places of the world; because the Bill afterwards says that when a work is simultaneously published here it shall be entitled to copyright. Clause 5 says—

For the purpose of this Act, publication, performance, or delivery in the Commonwealth shall be deemed to be simultaneous with publication, performance, or delivery elsewhere, if the period between the publications, performances, or deliveries does not exceed fourteen days.

That is to say, when a work is first performed in Australia, in comparison with any other part of the British dominions, that gives a right to copyright in Australia. Of course, there can be no copyright in Australia in conflict with copyright in Great Britain. If a work is first published in England, copyright in Australia has gone, except by virtue of the Imperial law, which confers the privilege of copyright in the British dominions because of publication in England.

Senator GIVENS. — Does the English copyright law extend to all parts of the British dominions?

Senator Sir JOSIAH SYMON. — Undoubtedly. If there were no State copyright law, and we did not pass this Bill, copyright in Australia would apply to works first published in England. There are two kinds of copyright conferred by this Bill. When a book is published here before it has been published anywhere else, that gives copyright. But publication in Australia, which is not first in point of time, but which is simultaneous—that is to say, when the book is published here within fourteen days of publication elsewhere—also gives copyright. Consequently, what we have to do is to provide for two things—first, copyright for a book first published in Australia; and, secondly, copyright for a book published here simultaneously with publication elsewhere. The amendment which I have moved is to provide that a work which has been first published in Australia, or of which the first

publication in Australia is simultaneous with publication elsewhere, shall have copyright. By way of illustration, take clauses 14 and 15. Take a lecturing right. It subsists in every lecture which has "been first delivered in public in Australia;" and that means clearly the first delivery of that lecture in public here, or simultaneously with its first delivery in public elsewhere. Unless this amendment is carried, we shall first of all introduce a limitation on "first publication" by saying that it means "before publication elsewhere." If that means anything, it emphasizes what I have said about first publication being in reference to the whole of the British dominions. Or, if we say that it means "simultaneously with publication elsewhere," we are departing from the language used in clause 15. I think the clauses of this Bill should be as connected and as harmonious as possible.

Senator MILLEN (New South Wales). —If Senator Keating's interpretation of this clause is correct, some curious results are likely to follow. I understand him to say that, as he interprets the words "first published in Australia," they mean that a book may have been published anywhere else, or in a dozen other countries, but on its being first published in Australia it secures copyright. Does he mean to say that I can bring out Milton's *Paradise Lost* in Australia and copyright it because it is then published here for the first time?

Senator KEATING.—Certainly not.

Senator MILLEN.—If the words "first published in Australia" mean—as I think they do—the first time a work has been published anywhere, that is intelligible. The purpose of this clause is to lay down the conditions under which copyright accrues, and it is clear that it is intended to mean that when a work makes its first appearance in Australia copyright accrues. Senator Keating, however, says that that is not meant—that the work may have been published in America, or in France, or in Germany, or in fifty other countries, but that the moment it is published here for the first time it secures copyright.

Senator KEATING.—No; if the first publication here is before or simultaneous with publication elsewhere.

Senator MILLEN.—Then either the wording of the clause is wrong, or Senator Keating's interpretation is wrong. I understand him to say that first publication in Australia means the first publication of

a particular book, irrespective of whether it has been previously published in any other country or not. It may have been published in fifty other places, but when it is published here that gives copyright.

Senator KEATING.—No.

Senator MILLEN.—Then I really cannot understand the honorable senator. I wish to know whether or not the clause is intended to mean that a work can be published elsewhere, but that the moment it is published here it can secure copyright. I do not wish to delay the Bill, but it is one thing to expedite legislation, and quite another thing to make ourselves ridiculous, not only in the eyes of the public, but in our own eyes. It seems to me that we have had two meanings from the Minister in charge of the Bill. One is that "first publication in Australia" means that the first publication of a particular work is made here, although it may previously have been published elsewhere. If that be so, the words "before or simultaneously with its first publication elsewhere" become a rank absurdity. On the other hand, if Senator Keating's other interpretation be correct, the words "before or simultaneously with" kill the first portion of the clause. One or the other interpretation is ridiculous.

Senator KEATING (Tasmania—Honorary Minister).—I will endeavour to give a concrete instance. The next two clauses refer to performing rights and lecturing rights. They are all framed on the same principle—that first publication, first performance, and first delivery in Australia, either prior to or simultaneously with first publication, first performance, or first delivery elsewhere, will enable copyright to subsist. It is as well to remember that copyright under this measure may be obtained in two ways. First, the person who is entitled to copyright, by virtue of first publication here, has all the advantages and privileges of this measure conferred upon him. These are over and above any advantages or privileges or facilities that may be conferred upon another by virtue of international or Imperial copyright, which privileges do not subsist under this Bill itself, but perhaps under some Imperial enactment. These latter may be registered here for their original value. I will take as an illustration the case of the performing right of some play. We will say that a drama is written in England or in America, and is called

*Upper Life*. Suppose that that drama is first produced in London on the 1st March of this year, and is first produced in Australia on the 1st September of this year. Obviously its first production in Australia is after its first production elsewhere, and there is no copyright here. But suppose that it is first produced in London on the 1st August, and is first produced in Australia on the 1st August, or within fourteen days after. That is first production in Australia, not before, but simultaneously, because the Bill provides that a period of fourteen days is to be regarded as simultaneous with first production elsewhere. The words of the clause are perfectly correct. They say that copyright shall subsist in a book which has been first published in Australia—not which is absolutely first published as a book, but which has been first published in Australia, either before or simultaneously with its first publication elsewhere. What is wrong with that?

Senator MILLEN.—Because its first publication in Australia must be necessary before publication elsewhere.

Senator KEATING.—The honorable senator may any day see announcements that a drama will be "first produced in Australia on Saturday next," though that drama may have been produced elsewhere two years before.

Senator MILLEN.—But does that publication give copyright?

Senator KEATING.—No; I am speaking of what is ordinarily understood by the public. A book may be first published in Australia last week, but it may have been published in England six months ago. We provide that if a book is published here, before or simultaneously with its publication elsewhere, with a margin of fourteen days, that shall be first publication here. I submit that the clause, as it stands, carries out its object, and if we adopt the amendment that has been suggested we shall cause doubt and obscurity.

Senator MILLEN (New South Wales).—I seem to have got some glimmering from the theatrical example cited, of what Senator Keating is driving at. If the word "first" were left out the clause would be intelligible to the ordinary man.

Senator BEST.—The word "first" makes no difference.

Senator KEATING.—The word "first" may be struck out if honorable senators desire.

Senator MILLEN.—I think that the word "first" makes a big difference.

Senator BEST.—Not at all.

Senator MILLEN.—Does Senator Best favour the insertion of a lot of unnecessary words, the only effect of which can be to confuse?

Senator Sir JOSIAH SYMON.—I ask leave to withdraw my amendment, in order to give Senator Millen an opportunity to submit the proposal he has indicated.

Amendment, by leave, withdrawn.

Amendment (by Senator MILLEN) agreed to—

That the word "first," line 4, be left out.

Senator Sir JOSIAH SYMON (South Australia).—With all due deference to Senator Millen, I think that my amendment would have been better, but, at any rate, the amendment just passed will remove what would probably be a fertile source of confusion.

Clause, as amended, agreed to.

Clause 14 consequentially amended and agreed to.

Clause 15—

(2) Lecturing right shall subsist in every lecture which has . . . been first delivered in public in Australia, before or simultaneously with its first delivery in public elsewhere.

Senator WALKER (New South Wales).—Will this clause apply to lectures delivered at a University by a professor? University professors are paid like a schoolmaster to lecture to the students, and I should like to know whether any of the latter would be debarred from taking notes of lectures so delivered.

Senator KEATING (Tasmania — Honorary Minister).—Under this clause a University student would be at perfect liberty to take whatever notes of a lecture he thought necessary for his own private use, but he would not be allowed to take an extended note, such as a shorthand note, and publish the lecture without the authority of the lecturer. A student should not be permitted to deprive the person who has prepared the lecture of the material advantage likely to be gained from his right to its delivery.

Amendment (by Senator MILLEN) proposed—

That the word "first," lines 2 and 4, be left out.

Senator Sir JOSIAH SYMON (South Australia).—Apart from the ordinary statute law of copyright, a lecturer has a pro-

perty in his lecture. It was held in the celebrated case of that very distinguished Scotch professor, Professor Caird, that whilst his students were perfectly entitled to take even shorthand notes for their own private use, they were not entitled to use them for the purpose of lecturing themselves, or for publication in book form. A student or some one else had taken notes of Professor Caird's lectures, and proposed to publish them in pamphlet form, but was restrained by an order of the Court from doing so. In passing, I should like to point out that it is a little difficult to understand how a lecture could be delivered simultaneously in, say, England and here.

Senator KEATING.—One lecture could be delivered by two lecturers simultaneously in different places.

Senator Sir JOSIAH SYMON.—I merely point out that the clause reads rather funnily, and it provides for a condition of things not usual or very likely to arise. It is very seldom that a lecture is delivered at the same time in two places, even by two different lecturers. However, I do not suggest that the clause should be struck out, because there is nothing impossible under the sun.

Senator KEATING (Tasmania — Honorary Minister).—A person who prepares a lecture may, while reserving the rights in it to himself, license some one to deliver it elsewhere.

Senator O'KEEFE.—That is the intention of the clause, I take it.

Senator KEATING.—Yes. For instance, a person who prepares a lecture, may license some one to deliver it in New Zealand, but, of course, if the lecture were delivered there a considerable time before it was delivered in Australia, the copyright would be lost here.

Senator DOBSON.—Is there a single copyright Act in which the word "first" does not appear?

Senator KEATING.—I do not know that the word is of any importance.

Amendment agreed to.

Clause, as amended, agreed to.

Clause 16—

(3) The lecturing right in a lecture shall begin with its first delivery in public in Australia.

Senator Sir JOSIAH SYMON (South Australia).—Is this clause quite complete in regard to the lecturing right? What about a simultaneous delivery elsewhere?



Senator KEATING (Tasmania—Honorary Minister).—If a lecture is delivered simultaneously elsewhere, the right dates from its first delivery in Australia the same as the publication of a book, or the performance of a drama.

Clause agreed to.

Clause 17—

(1) The copyright in a book, the performing right in a dramatic or musical work, and the lecturing right in a lecture, shall subsist for the term of the author's life, and thirty years after the end of the year in which he dies, and no longer.

Senator GIVENS (Queensland).—I object to the term proposed for the duration of a copyright. I pointed out on the motion for the second reading, how it is quite possible for a valuable work to be written and published by an author in a very early period in his life, and for that author to live, as some of our distinguished writers have lived, to an advanced age. It is true that on the contrary, some authors have died at a comparatively early age; and if the clause be allowed to remain as at present, it will not operate fairly as between the two classes. Certainly the heirs of an author who dies young will not reap the same advantage, as will the heirs of an author who dies at an advanced age. In any case, the period is too long. For instance, as has often happened, a young author, before reaching the age of twenty-five years, may publish a valuable book, and if he lives to the age of seventy-five, that work may be copyrighted for something over one hundred years. The English Act provides that copyright shall subsist for seven years after the author's death, or for a period of forty-two years, whichever is the longer. In my opinion, forty-two years is too long for copyright to last. It is certainly desirable that there should be a fixed period, failing the author's life extending to that period. It must be remembered that no author is absolutely the creator of any work. We are the heirs of all the ages and of the accumulated knowledge of all the ages, and authors certainly owe some debt to the public who have supplied them with knowledge. They ought not to wrap themselves up in selfishness, and say that knowledge obtained from those who have gone before should remain their exclusive property for a very extended period. I think that the period proposed is too long. It would have the effect of limiting the publication of valuable works at a

time when they ought to be free to the public. I have no desire to do any injustice to an author, but if he has the exclusive right to the publication of his own productions during his lifetime, and if it continues to vest in his children after his death until they reach the age of manhood or womanhood, that is all that any author should demand.

Senator MILLEN.—That might be longer than the Bill provides for.

Senator GIVENS.—It could not possibly be longer, because it would not take thirty years after an author's death for his children to reach the age of manhood or womanhood. I move—

That the word "thirty," line 4, be left out, with a view to insert in lieu thereof the word "seven."

If that amendment is agreed to, I shall later on in the clause endeavour to make provision for a fixed period of copyright, and to provide that whichever is the longer term, the fixed period or the life of the author and seven years, shall be the period for which copyright shall endure.

Senator Sir JOSIAH SYMON (South Australia).—This is undoubtedly, if not the most important, one of the most important provisions of the Bill. The whole advantage or disadvantage of the Bill rests on the duration of the copyright granted under it. The property which we propose to confer upon an author of a work depends on the duration of the copyright which we give him. I agree very largely with the sentiments expressed by Senator Givens, and I shall ask the honorable senator to allow me to move a prior amendment, which will differ only in one respect from that which he has proposed. I desire to propose that there shall be a fixed period of forty-two years.

Senator GUTHRIE.—Dead or alive.

Senator Sir JOSIAH SYMON.—Yes, dead or alive. That is to say, that a man's property in his book shall be worth forty-two years purchase at least, but if he lives longer he should have that additional advantage.

Senator WALKER.—That is the English law.

Senator Sir JOSIAH SYMON.—It is the English law, and the law which prevails in every State of the Commonwealth, with this difference, that the English law gives the author seven years beyond his life. I never could see, and do not now see, any reason why we should add on that period of seven years.

Senator GIVENS.—The author may leave young children who have not arrived at an age when they can provide for themselves.

Senator Sir JOSIAH SYMON.—That is true. I took the liberty on the second reading of the Bill of dealing at some length with this question, and I should like to say one or two words now in elucidation of what this principle of copyright is. A man publishes his book, and unless there is some tangible property, measurable, as lawyers say, by metes and bounds, he cannot deal with it. The difficulty, which was met by copyright legislation, was the difficulty of making measureable, and capable of being valued, the property which a man had in the productions of his own intellect, as expressed in words. It was like giving him a lease, and saying that he should have a certain right for so many years. If a fixed period were decided on, with an absolute power to stop any one else from reproducing his work, he could go to his publisher, and say, "I have this to sell you. Here is my book, and attached to it there is a monopoly of publication for a fixed period." The publisher would then know exactly what he was going to buy. He would be able to estimate his probable profit during that fixed period, and as the author would be also in a position to make an estimate, he could not be taken advantage of.

Senator GIVENS.—It will be only eight years, if the clause is allowed to remain as it stands.

Senator Sir JOSIAH SYMON.—It could not be less than thirty years. Under this clause it is proposed that copyright shall be given for the author's life and thirty years after the end of the year in which he dies. The effect of such a provision would be that we should have two measurements of the value of the property the author is to get. One is an absolutely uncertain measurement, and the other is certain. I propose to make an absolutely certain measurement.

Senator GIVENS.—And equal all round.

Senator Sir JOSIAH SYMON.—And equal all round. If a man goes to a publisher, and says that his interest in his book is a life interest, the publisher may say, "You may die to-morrow; I can give you only so much for it. If your interest is for life and thirty years, I can only pay you for a thirty years' interest, and a margin of, perhaps, a year or two longer. The uncer-

tainty of life is great, and I cannot possibly assess what your work is worth to me for the period covered by your life interest." We may make the period long or short, but if we fix a definite period, the author is given something with which he can go to a publisher, and say, "I give you this book, with so many years' purchase of the monopoly of its publication." If forty-two years is not long enough, the Committee can make it longer, but I think it is long enough. In Canada, the term is twenty-eight years.

Senator KEATING.—With an opportunity given for an extension for fourteen years.

Senator Sir JOSIAH SYMON.—Yes, it is like the patents law. Here with regard to a patent, the period of protection is fourteen years, with a qualified right of extension for a further seven years, or, in exceptional circumstances, for fourteen years. I prefer a definite fixed period, and I say that the duration of the copyright should be forty or forty-two years, or the life of the author, whichever is the longer term. That, in my opinion, would be ample. The publisher can make his estimate of purchase on a certain period of forty or forty-two years, and if the author lives longer so much the better for himself and his children.

Senator GIVENS.—I intended to propose a fixed period of thirty-five years.

Senator Sir JOSIAH SYMON.—I suggest forty-two years, because that is the period adopted by the Imperial Legislature, and adopted in State legislation throughout Australia, relying on the English precedent. I feel that that is long enough. I remind honorable senators that when, in 1841, it was sought to make the duration of copyright extend during the life of the author and sixty years beyond, the proposal was defeated at the instance of Lord Macaulay, one of the greatest literary men of the last century. In the following year Lord Mahon, afterwards Lord Stanhope, brought in his Bill shortening the period to twenty-five years beyond the life of the author. That was again opposed by Lord Macaulay, whose views had the greater force, because copyright so gravely affected himself and his own literary productions. The period was then reduced to what is at present the law—forty-two years, or the life of the author plus seven years, whichever term is the longer. I say that we should leave it at that. It has been at that for more than

sixty years. In 1875 a Royal Commission made certain suggestions which have never been carried into law, and, so far as I am aware, the term fixed has worked satisfactorily, and has given to authors a property in their works in a form which is beneficial to them, and which has enabled them to secure a fair price for their work. Every one is aware that a monopoly for a fixed period is a much more saleable product than is a monopoly for an uncertain period. It is like so many years purchase. We give an author a monopoly for a period of so many years, and if he lives longer, and retains his copyright, he has it until his days are ended. If he lives for fifty or sixty years there will have been ample time for him to derive from his copyright the emoluments necessary to enable him to bequeath the benefit of it to his children. If, on the other hand, copyright is extended beyond the life of the author, it may have passed into the hands of a publisher, who, after the author's death, may make use of it to secure a fortune for himself.

Senator O'KEEFE.—Why should any period after death be allowed?

Senator Sir JOSIAH SYMON. — I do not propose that any period after death should be allowed. Senator Givens has suggested that we should adhere to the existing period fixed by the English Statute.

Senator GIVENS.—And by State legislation also.

Senator Sir JOSIAH SYMON.—I agree with Senator O'Keefe that we should not allow any period after the death of the author. We can have a fixed period of forty-two years, or if that is not considered long enough it may be extended. I personally think that it is too long, and that from thirty-five to forty years would be long enough, but in any case we should also extend the period during the author's life, if that is longer than the fixed period, in order that if he retains the copyright he may secure the benefit of it during the time he lives.

Senator GIVENS.—What about the case of an author who sells his copyright for a royalty on the publication of his books, and who, when he dies, leaves young children dependent on him?

Senator Sir JOSIAH SYMON.—He will have had the benefit of the copyright for forty-two years. Suppose he publishes a book when he is sixty years of age?

Senator GIVENS.—Suppose he publishes a book at twenty-five years of age?

Senator Sir JOSIAH SYMON.—If he publishes a book at sixty years of age, he will get forty-two years copyright of it.

Senator GIVENS.—He may leave young children when he dies, and are they to be deprived of a royalty arising out of the sale of his copyright?

Senator Sir JOSIAH SYMON.—That would depend on the bargain made with the publisher with respect to the royalty. There would be nothing to prevent an author making a bargain with his publisher that a royalty should continue for 100 years after his death.

Senator GIVENS. — No publisher would make such a bargain when he would know that the copyright would expire before that time.

Senator Sir JOSIAH SYMON. — It would not expire at least for forty-two years. Of course the most valuable books are usually published when a man has reached the maturity of his powers—that is when he is in middle age, and, therefore, the public get the benefit of a fixed period. The great thing we ought to seek to do is to establish a fixed period so as to put an author on a fair footing when bargaining with his publisher. We want to give him a property, that is copyright—and we ought to enable him to bargain on practically equal terms with his publisher. If, on the other hand, the period is left uncertain, he is entirely in the publisher's hands. As Macaulay said, "If you make any amendment in the law, make it in the direction of increasing a fixed period, but do not increase an uncertain period which must always work to the disadvantage of the man who has wares to sell." I propose to move—

That all the words after the word "of," line 4, be left out with a view to insert in lieu thereof the following words—"forty-two years, or for the author's life, whichever shall last the longer."

If that amendment be carried, I shall move the omission of the words "author's life" and "thirty years." This amendment embodies the principle which was advocated by Macaulay, and given effect to by him in legislation still in force on the Imperial statute-book, and it will best carry out first our duty to authors, to give them a property in their works, and secondly our duty to the community to see that the period is not too long, in order that in the case of copyright, as in that of patents, the community shall have the benefit of the work.

Senator PEARCE (Western Australia).—I should like to have an opportunity of voting for the amendment foreshadowed by Senator Symon. The chief objection to the amendment of Senator Givens is that it would introduce the element of gambling or speculation. From actuarial tables, we can form a fair idea as to the average duration of life; but still his amendment would introduce the element of speculation in the matter of a copyright. Who would suffer in that case? It would not be the publisher, but the author; and an old author would suffer more than a young one. We ought to give a certain value to a book, just as we give a certain value to a patent. The amendment of Senator Symon would accomplish that object in a very effective manner. In my opinion, it would give a sufficient term of copyright to provide for an author during his life, and also in the greater number of cases for his children after his death. I trust that Senator Givens will withdraw his amendment, and let us have a vote on the proposition of Senator Symon. I shall vote against any amendment designed to enable the chances of an author's life to determine the value of his copyright.

Senator WALKER (New South Wales).—I hope that the same provision will be passed as is contained in the Imperial Act; that is to give copyright for the life of the author, *plus* seven years, or for forty-two years, whichever is the longer. With regard to the point raised by Senator Pearce, he need not have any apprehension. Supposing that I were a publisher, and were offered a book. I should know that the author would have copyright for his life, and seven years longer, and it would be very easy for me to ascertain the actuarial expectation of his life, and if necessary to insure against his death. I think that in justice to the children of an author there ought to be copyright for a few years after his death. Many an author dies in comparatively old age, leaving young children who are not over-well provided for. A copyright for seven years would be a perfect god-send to the family of many an author. As a rule, authors are impecunious, and therefore are not able to leave their children provided for. I hope that if no one else moves in that direction I shall be at liberty by-and-by to submit an amendment for the adoption of the system which prevails in the United Kingdom, New South Wales, Victoria,

Queensland, South Australia, Western Australia, and Tasmania.

Senator STANFORTH SMITH (Western Australia).—I intend to support the amendment foreshadowed by Senator Symon; because I think it would be better to have a more fixed period than is proposed in the Bill. Otherwise, we should accord a more valuable privilege to a young author than to an old one. According to the Bill there is a specified term after the author's death, in which copyright shall endure, so that a young man of twenty-five years of age would have a clear advantage over a man twice that age. I do not see why we should accord to one man on account of his age a privilege which we do not accord to another. There is no absolute reason why we should not have a fixed term instead of one varied by the life of the author. If a man is fortunate enough to live a considerable time after his work is published, why should he, or, in the event of his death, his children, get a greater advantage than the children of a deceased author? Take the case of Gibbon, who, although he was very wealthy, died a year or two after he had completed his *magnum opus*—*The Decline and Fall of Rome*. Under this provision the children of such an author would not be left penniless, but would have the advantage of the copyright in the works which had been published. Lately, Mr. E. V. Lucas has published in twelve volumes, *Lamb's Letters*, perhaps the most delightful literature in the English language. Unfortunately, the work is not complete, because recently some of Lamb's letters have been discovered and published. If the twelve volumes have been issued, Mr. Lucas is in this position: That he cannot publish them for another forty-two years, although Lamb has been dead for 100 years. It seems, therefore, that under the Imperial Act there is copyright for a term of forty-two years from the date of publication. If that is not provided against in this Bill it should be.

Senator KEATING.—All through the world copyright runs from the date of publication.

Senator STANFORTH SMITH.—Why should the public be deprived of the advantage of a cheap edition of a valuable work for that great length of time? As Senator Symon has quoted the authority of Macaulay, I would mention that Carlyle was also in favour of a fixed period

for copyright. In his somewhat characteristic fashion he wrote a petition on the subject, which commenced in these words—

To the honorable the Commons of England in Parliament assembled, the Petition of Thomas Carlyle, a Writer of Books,

Humbly sheweth,

That your petitioner has written certain books, being incited thereto by various innocent or laudable considerations, chiefly by the thought that said books might in the end be found to be worth something.

He went on to speak of the publishers, who then got the benefit of the publication, in these terms—

May it therefore please your Honorable House to protect him in said happy and long doubtful event; and (by passing your Copyright Bill) forbid all Thomas Teggs, and other extraneous persons, entirely unconcerned in this adventure of his, to steal from him his small winnings, for a space of sixty years, at shortest. After sixty years, unless your Honorable House provide otherwise, they may begin to steal.

And your petitioner will ever pray,

THOMAS CARLYLE.

Of course, our object is to insure that a publisher shall not begin to steal until the author has enjoyed certain privileges from the sale of his own work. I think that the privilege should be accorded equally to all persons, irrespective of their age. It is here proposed, however, to give advantages according to the age of an author. While I intend to support Senator Symon's proposal, because it is the best that has yet been made, I think that it would be better to make the term forty-two years, without any variation. Why should we not adopt the same principle in the case of copyright as we do in the case of patents, which are for a fixed term?

Senator KEATING (Tasmania—Honorary Minister).—I have listened to the remarks of the honorable senators who have addressed themselves to the amendment with great care. It seems to me that there is a disposition on their part to regard this limitation of the term of copyright as being one that will be practically effective in the case of every production that is copyrighted. Quite the contrary is likely to be the case. Experience has shown that the full benefit of the term of copyright is enjoyed in a very small number of cases. Very few books are copyrighted as to which it is necessary to preserve to the authors their rights beyond a very limited period. In a very excellent article contributed to the *North American Review* in January of this

year, Mr. S. L. Clemens, who is better known throughout the world as Mark Twain, says that during the last twenty-five years in the United States more than 100,000 books, and in the last 104 years over 250,000, have been copyrighted. When asked how many of the works survived the forty-two years, he says that the average was five per year. He says that in most instances the term of forty-two years for the operation of copyright, in his opinion, is altogether too short. Mr. Clemens gave evidence before the Copyright Commission in Great Britain, and Lord Thring, in the *Nineteenth Century*, some little time after the examination made reference to it. I will quote from Lord Thring's article a little later on. The article in the *North American Review* is in the form of question and answer, and I would draw the attention of Senator Smith to it. It will be seen that, in Mark Twain's opinion, it is desirable that the copyright term should have some relation to the author's life. He says that the present system is—

A crime perpetrated by a great country—a proud World Power—upon ten poor devils a year.

That is to say, to limit the term of copyright to forty-two years is, in the opinion of an author of some experience, a crime. He goes on to say—

The profits on *Uncle Tom's Cabin* continue to-day; nobody but the publishers get them—Mrs. Stowe's share ceased seven years before she died; her daughters received nothing for the book. Years ago they found themselves no longer able to live in their modest home, and had to move out and find humbler quarters. Washington Irving's poor old adopted daughters fared likewise. Come, does that move you?

That was a case where copyright extended for a limited period, such as is approved of by Senator Symon.

Senator Sir JOSIAH SYMON.—No; that is a case where the copyright was sold.

Senator KEATING.—The term had expired seven years before the authoress of the book died.

Senator Sir JOSIAH SYMON.—The copyright in *Uncle Tom's Cabin* was sold long before the death of the authoress.

Senator KEATING.—It appears, from this article, that the term of copyright had run out while the authoress was still alive. The publishers who had issued the book in the meantime were not philanthropists. As soon as the forty-two years' limit expired, they did not care whether the

authoress or her relatives were well provided for or not. They concerned themselves with their own interests.

Senator Sir JOSIAH SYMON.—That was similar to the case of Milton's daughter, referred to in Macaulay's speech, which I quoted.

Senator KEATING. — Senator Symon has made reference to the fact that a forty-two years' period is fixed in the English law, and he says that he understands that that has always given satisfaction. The Royal Commission to which reference has been made during the debate, and which sat in England for two or three years to investigate the whole subject of copyright in Great Britain and other civilized countries, dealt exhaustively with this point. They say with regard to the period that Senator Walker seems to favour—life, plus seven years, or forty-two years, whichever may be longer—and with regard to the fixed term of forty-two years from publication, or life, whichever may be longer, favoured by Senator Symon—

The term of copyright in books is for the life of the author and seven years after his death, or for forty-two years from the date of publication, whichever period may happen to expire last. . . . First, the period is said not to be long enough. The chief reasons for this assertion are that many works, and particularly those of permanent value, are frequently but little known or appreciated for many years after they are published, and that they do not command a sale sufficient to remunerate the authors until a considerable part of the term of copyright has expired. Some works, as, for instance, novels by popular authors, command an extensive sale, and bring to the authors a large remuneration at once, but the case is altogether different with others, such as works of history, books of a philosophical or classical character, and volumes of poems. In some instances, works of these kinds have been known to produce scarcely any remuneration, until the authors have died, and the copyrights have nearly expired. It is also urged that in the case of many authors who make their living by their pens, their families are left without provision shortly after their deaths, unless their works become profitable very soon after they are written.

In the case of ephemeral literature, such as novels, the author looks to get practically the whole of the return from the sale of his books within a year or a couple of years from publication. The remaining thirty-five or thirty-six years of the term of copyright are worth very little to him. Consequently we find to-day that works which were published only a few years ago, and which have a term of copyright, extending over the life of the author and seven years, or for forty-two

years, whichever may be longer, are selling in sixpenny editions; the reason being that the remaining term of copyright is of very little value. The books have had their day. But historical works and books of research, as pointed out in the English report, very often do not acquire their full value in the eyes of the public until many years of the copyright term have elapsed. In some cases their value is not fully appreciated until after the death of the author. If we abridge the term of copyright, authors who have derived no benefit from works of that character, would be the less likely to derive any. The Royal Commission in Great Britain, after considering the term of copyright existing in various countries, unanimously recommend the adoption of a term extending over the life of the author and thirty years after. They say, in paragraph 39 of their report—

We find considerable variety in the terms fixed in other countries, but putting aside the United States, which seems to have adopted our existing term with modifications, we find that the more important nations have adopted terms longer than our own. Thus, the term in France is the life of the author and fifty years; in Belgium, life and twenty years; in Germany, life and thirty years; in Italy, life and forty years, with a second term of forty years, during which other persons than the proprietor may publish a work on payment of a royalty to him; in Russia, life and fifty years; in Spain, life and fifty years; in Portugal, life and fifty years; and in Holland, life and twenty years. These terms are subject to sundry modifications and conditions which it is unnecessary for us to enter into, but while we consider it expedient that the existing term of copyright should be altered, we think that the terms fixed by the nations we have referred to are, in some cases, excessive and unnecessary.

In an article in the *Nineteenth Century* for June, 1900, Lord Thring said—

Mr. Clemens (Mark Twain), in the excellent evidence he gave to the Select Committee of the House of Lords, maintained with great plausibility the proposal that copyright should be perpetual, for the sake of "the Immortals," as he termed them.

Senator GIVENS. — Who would receive the benefit of a perpetual copyright?

Senator KEATING.—The descendants. It is maintained that the publisher shall not get the copyright, but the descendants of an author.

He reckoned that the number of British authors in a century, whose works survived forty-two years (the limit fixed by the existing law), was sixty-five. He allotted to each of them ten volumes, and concluded that 650 volumes was the total limit of surviving volumes in the century. Why, he asks, should the richest nation on the earth, by limiting copyright, annually take

out of the pockets of the children of the little handful of illustrious men the trifling sums which they would derive from the sale of these volumes.

What follows is in small type, and therefore I presume it is the evidence of Mr. Clemens to which I have just referred—

Great Britain issues 5,000 new books per year. None of these, except six and a half volumes, need the Committee's help. The others will never reach within a thousand miles of the forty-two year limit. They are amply, and even superfluously and extravagantly, protected. The mighty bulk of them will be dead and gone inside of five years. A few of them will live fifteen, others will live ten; but if you average the life of the 5,000 books straight through, a copyright limit of six months would answer all their necessities. The Committee is in no way concerned about their salvation; no legislation could achieve it. The whole batch can be set aside as being perfectly safe under the existing law, or any other for that matter. The only real question, the only important question, the only high and worthy question, as it seems to me, is how to save the six and a half volumes.

Practical experience shows that this term of copyright would, in actual fact, apply to such a small proportion as six and a half books out of 5,000; and honorable senators will recognise that, by providing this term, we are not inflicting any injury or hardship on the public. As pointed out in the report from which I have quoted, the works which do survive forty-two years are mostly of a character which have to wait for a considerable time, and receive the attention of students and others, before their real value is recognised, and they begin to grow in demand. Under all the circumstances, the report recommends that the term should be for life and thirty years; and there is reason to believe that, if in Great Britain the copyright law were recodified, that term would be adopted. If that were so, there would then be harmony between the British Act and the Act of the Commonwealth. A term for life and thirty years afterwards has an advantage over the proposal of Senator Symon. The honorable and learned senator proposes forty-two years, or the life of the author, whichever period is the longer, thus providing an alternative. The life of the author, of course, is not a fixed term, and when he goes to negotiate with a publisher, the latter is not in a position to know how long he will have the copyright for.

Senator Sir JOSIAH SYMON. — There would be the fixed term of forty-two years.

Senator KEATING. — It has been pointed out during the debate that if a young man of twenty-odd years of age

published a book, he would get protection for forty-two years, or for his life, whichever period was the longer. It has been suggested that the same man might twenty years later bring out another book, and that, in respect to the latter, the terms would be the same; but, if the forty-two years' proposal operated in both cases, the copyrights would fall in at different dates, and publishers would not be aware of the fact. A man between the ages of thirty and forty-five years might publish one or two books every year; and if he died at the age of sixty, the determination of the various copyrights would be different.

Senator GIVENS.—Why should it not?

Senator KEATING.—There would be no chance of knowing when the copyrights would fall in.

Senator Sir JOSIAH SYMON.—The period of forty-two years would be fixed.

Senator KEATING.—The same Commission, in paragraphs 29, 30, and 31 of their report, state—

29. The second objection to the present duration of copyright is, that copyrights belonging to the same author generally expire at different dates. That it is well founded is manifest, for if an author writes several works, or one work in several volumes which are published at different times, as is frequently the case, the copyrights will expire forty-two years from the respective dates of publication, unless the author happens to live so long that the period of seven years after his death is beyond forty-two years from the publication of his latest work or volume.

30. Under the present system, moreover, copyright in an early edition, expires before copyright in the amendments in a later edition of the same work. We have had evidence that in one case the first and uncorrected edition of an important work was republished before the expiration of the copyright in the later and improved editions.

31. . . . Under the present law it is uncertain what constitutes publication; but whatever may be a publication sufficient in law to set the period of copyright running, it generally takes place in such a manner that the precise date is not noted, even if known.

Copyrights subsist under the Bill from the date of first publication, independently of registration; and all kinds of questions would arise as to whether a book brought out in a certain year has had its full term of forty-two years. If, on the other hand, we make the term for life, plus thirty years, it could always be ascertained with exactness when a person died, and it would be easy to determine to a day when the copyrights ran out. This matter had caused extreme difficulty in England, and evidence was given at the inquiry by publishers and others.

Senator GIVENS.—Why study the publishers, when we are concerned with the authors?

Senator KEATING.—The Royal Commission did not confine their attention to the interests of publishers, as will be seen on reference to the list of witnesses examined during the three years.

Senator GIVENS.—What interest would the author have in the matter when he was dead?

Senator KEATING.—An author when alive would have the interest that after his death the rights in his works, if they were of any value, would be preserved to his family or his representatives for the definite period of thirty years. If, on the other hand, he was an author who worked intermittently, he would simply have the half satisfaction of knowing that, in respect of some of his works, there would be a fair measure of copyright, and in respect to others, the value of which had not been properly appreciated, that the copyright was very nearly running out. Under all the circumstances, seeing that the matter has been reported on so fully in the light of the best evidence procurable, we should be well advised in adopting the term recommended by the Royal Commission, in the interests of the author himself, of those who represent him after his death, and of the public.

Senator Sir JOSIAH SYMON (South Australia).—Senator Keating has made a very excellent fight, not necessarily for his view, or for any view entertained in Australia, but for the view of a Royal Commission, the report of which has been allowed to lie dormant and accumulate dust for the last thirty years. The answer to Senator Keating is that this report has never been acted upon.

Senator KEATING.—The House of Lords passed the Bill.

Senator Sir JOSIAH SYMON. — The Bill has never been enacted.

Senator KEATING.—The Bill itself, providing this term, was passed by the House of Lords.

Senator Sir JOSIAH SYMON.—What is the use of talking about the Bill being passed by the House of Lords, which is the more insignificant portion of the Imperial Parliament?

Senator KEATING.—The honorable and learned senator said that the report had never been acted upon.

Senator Sir JOSIAH SYMON.—I do not call that acting upon the report.

Senator KEATING.—I do.

Senator Sir JOSIAH SYMON.—That only shows that Senator Keating does not use terms accurately. The report of the Royal Commission has not been acted upon legislatively.

Senator KEATING.—Why did the honorable and learned senator use the word "legislatively"?

Senator Sir JOSIAH SYMON.—Because I was speaking legislatively. The recommendations of the Royal Commission have never been given legislative force. Senator Keating has made excellent use of the report, but what is the use of quoting recommendations which were made twenty-seven years ago, and which the Imperial Parliament has not brought into force by legislation? Both Senator Keating and myself want a fixed period, that favoured by the honorable and learned gentleman being thirty years, whereas I propose forty-two years. The fixed period proposed by the honorable and learned senator is attached to the uncertain period of a man's life, and that, of course, is nothing on which to negotiate with a publisher. It is valuable to have a fixed period of thirty years or forty-two years, but an author would be entirely in the hands of a publisher as to what was uncertain. The whole tendency of legislation in the past in England has been, if possible, to lengthen the fixed period and diminish the uncertain period, and if there be an alternative, subject to the point referred to by Senator Givens, it ought to be in the direction of strengthening the fixed period.

Senator GIVENS (Queensland).—I have no intention to stand in the way of Senator Symon submitting his amendment, and I shall ask leave to withdraw my proposal, in order to give him an opportunity. So far, I have heard no argument to induce me to believe that any of the suggestions made are more commendable than my own proposal. I fail to see the force of some of the arguments which have been used by Senator Symon and others, as to the desirability of accepting his amendment in preference to mine. It has been said that my amendment introduces a gambling element, but the same gambling element is in the proposal suggested by Senator Symon. My proposal is that the term shall be the author's life and seven years, or a fixed period of forty-two years, whichever



is the longer, whereas Senator Symon's proposal is that there shall be fixed period of forty-two years or the author's life, whichever is the longer. I should like to ask those who say that my amendment introduces the gambling element whether there is more of the gambling element in a provision for a period covering the life of a man and seven years than in one covering his life without seven years. This is a ridiculous argument to put forward in support of Senator Symon's amendment. It might frequently happen that a man would die at just about the time when the forty-two years fixed period would expire. Immediately he was dead, copyright in his works would expire, and then the hardship would arise which Senator Keating quoted for us as indicated by Mark Twain, and commented on by Lord Thring.

Senator GUTHRIE.—His work might not be published for seven years after his death.

Senator GIVENS.—Then there would be a fixed period of copyright for forty-two years. Suppose the fixed period of forty-two years, and an author's life expire about the same time, say, for instance, that a man publishes a work at thirty, and dies at seventy-two years of age, his copyright in that work would cease exactly at the time he died, notwithstanding the fixed period suggested by Senator Symon. It would be a very great hardship indeed if he left a widow or young children that they should be absolutely deprived by his death of all profit from his work. Such cases are possible, and it is our duty to avoid giving rise to such hardships if we can. A publisher cannot be expected to give any of the proceeds from the publication of the works of an author to his relatives after his death, if the period of copyright in those works has expired. In these days, when competition is so keen, it is probable that there is not one publisher who could afford to do so, because every publisher has then the same right to publish those books, prices are cut down to bedrock, and only sufficient is left for ordinary trade profit. In justice, therefore, to relatives who may be dependent on an author, it is desirable that we should give a copyright for seven years in addition to his life as an alternative to the fixed period of forty-two years. I point out that in doing so we shall only be acting in accordance with what has already been done in Great Britain, and in every

State of the Commonwealth. I have never heard that a single word has been raised against that provision in Australia or in Great Britain. I am inclined to think that a fixed period of forty-two years is rather too long, but as it seems to be the general wish of the Committee to enact a fixed period of that duration I waive my objection to it. But I am not willing to agree to a fixed period of forty-two years and an alternative of the life of the author. I favour the provision of the law of Great Britain, and of every State of the Commonwealth, that a period of seven years after the author's death should be the alternative to a fixed period of forty-two years. By leave of the Committee, I will temporarily withdraw my amendment, in order to allow Senator Symon to move the amendment he has indicated.

Senator WALKER (New South Wales).—I wish to emphasize something which Senator Givens has been saying. We know by experience that it frequently happens that when a prominent author dies a very great demand arises for his books. At the present time we have before us an illustration of the sudden demand which may arise for the works of an author on his death. Several years ago a celebrated book was published, and when the author died the other day a great demand for it arose at home. I refer to Shorthouse's *John Inglesant*. It is what is called a philosophical romance, and there is a very great demand for that work at present.

Senator Sir JOSIAH SYMON.—Copyright in *John Inglesant* has not yet expired.

Senator WALKER.—I am aware of that, as the book was published in 1881. But a new demand for the book has arisen since the death of the author. Senator Smith made a remark to the effect that Charles Lamb had died 100 years ago, and that new "Letters of Elia" had been discovered recently, for which there would be forty-two years' copyright. I refreshed my memory on the subject, and I find that Charles Lamb died in 1834, only seventy-one years ago. I should not like it to go abroad that we all think a man died 100 years ago who died less than seventy-two years ago. We know that towards the end of an author's life he often publishes his autobiography, and it would be rather unfortunate if his family at his death should not be able to secure any benefit from such

a work. I hope that Senator Givens' suggested amendment will be carried, and that the period fixed will be forty-two years, or the life of the author and seven years.

Amendment (by Senator Sir JOSIAH SYMON) proposed—

That all the words after the word "of," line 4, be left out with a view to insert in lieu thereof the following words—"forty-two years, or for the author's life, whichever shall last the longer."

Amendment of the amendment (by Senator GIVENS) proposed—

That after the word "life" the words "and seven years" be inserted.

Senator STEWART (Queensland).—I have been very much astonished, especially by the conduct of my honorable friends on my right in making such a determined assault on what must, I think, be considered the sacred rights of property. I always understood those honorable senators to be determined defenders of those rights. Is not a book which a man writes his own property, the product of his own brain? That being the case, should he not have full possession of it during his lifetime, and be in a position to bequeath any benefits arising from it to his posterity?

Senator MILLEN.—For ever?

Senator STEWART.—Yes, for ever. If Senator Millen acquired a landed estate, he would call it confiscation if any one attempted to take it from him during his life, and if the honorable senator were not permitted to hand it down to his children after his death, no one would be louder in protest than he would. The production of a book is just as much the product of an individual's brain and energy as is the building up of a fortune.

Senator FINDLEY.—Would the honorable senator apply the same line of reasoning to all patents?

Senator STEWART.—I am not very sure that I would not. I do not see how we can deprive a man of one particular kind of property, whilst another form of property is looked upon as sacred. The only gleam of satisfaction I have in connexion with the whole matter, is that we have an admission from honorable senators on this side of the Chamber, that even property is not to be looked upon as sacred.

Senator MILLEN.—And an admission from the honorable senator that certain forms of property are sacred.

Senator STEWART.—And that it must give way to the interests or desires of the

community. I welcome that admission very heartily. If we live sufficiently long we may ask these honorable senators to apply this newly-found principle in some other direction, when I trust we shall have their support as freely as it is given on the present occasion.

Senator MILLEN.—The honorable senator is dissenting from that principle.

Senator STEWART.—I find that the Committee is unanimous, and mine is the only voice raised in defence of property. On this occasion I am "a voice crying in the wilderness." There is not much use in my protesting against what is being done, as I find that the great majority of honorable senators are anxious to limit an author's right to the production of his own brain. Some honorable senators would do that during his life, and all of them would appear to be prepared to limit the interests of his children in an author's work. As the Committee seems determined to take this course I can only acquiesce.

Amendment of the amendment agreed to.

Amendment, as amended, agreed to.

Sub-clauses 2 and 3 consequentially amended.

Clause, as amended, agreed to.

Project reported.

## ADJOURNMENT.

### KALGOORLIE TO PORT AUGUSTA RAILWAY SURVEY.

Motion (by Senator PLAYFORD) proposed—

That the Senate do now adjourn.

Senator PEARCE (Western Australia).—During the recent debate on the Bill to authorize the survey of the Kalgoorlie to Port Augusta railway, repeated assertions were made as regards the attitude adopted by the Government of South Australia. Both the *Age* and the *Argus* of to-day contain a statement by the Premier of that State. The one in the *Age* reads as follows:—

### THE DESERT RAILWAY. SOUTH AUSTRALIA'S ENGAGEMENT.

ADELAIDE, Tuesday.

Mr. V. L. Solomon asked the Premier, referring to a statement made by members of the Federal Parliament, "that South Australia had given a solemn guarantee to authorize by Act of Parliament the construction of a line of railway from Port Augusta to the Western Australia border," whether such a statement was in accordance with fact, and if there was the slightest warrant for such assertion.

Mr. Price replied:—"On 1st February, 1900, the then Premier (Mr. F. W. Holder) undertook,

as soon as Federation was established, to introduce a Bill formally giving the assent of this State to the construction of the line by Federal authority, and to pass it stage by stage simultaneously with the passage of a similar Bill through the Western Australian Parliament. This had (11th June, 1901) the support of the Jenkins Government, conditionally upon the line joining the Western Australian one forty to sixty miles north of Eucla. In 1903 the Premier (Mr. Jenkins), while on a visit to Western Australia, personally promised to introduce an Enabling Bill, but with the further stipulation that the powers conferred upon the Federal Parliament should be exercised within a period of three years. Again (29th June, 1903), Mr. Jenkins promised to bring in a Bill for the construction of the line, subject to Western Australia passing an Act indemnifying South Australia against any financial loss for ten years from the completion, with a stipulation as to 3½ ft. gauge, and for the line to go through Tarcoola to Port Augusta. This indemnity was offered by the Premier of Western Australia on 26th June, 1903."

It was repeatedly hurled at us by the opponents of the measure that we had no authority for the statement we made.

Senator MILLEN.—Where is the authority now?

Senator PEARCE.—The authority is the Premier of South Australia.

Senator MILLEN.—Where?

Senator PEARCE.—The authority I have quoted.

Senator MILLEN.—That is merely a statement that several Premiers have promised to do things which they did not do.

Senator DOBSON.—We want an Act of Parliament.

Senator PEARCE.—On page 966 of *Hansard*, Senator Dobson said the Parliament was not asked to do the business in a proper manner, and that the consent of the State concerned ought to be obtained before a shilling was spent on the railway.

The PRESIDENT.—The honorable senator ought not to refer to a former debate of the present session.

Senator PEARCE.—If I am out of order, sir, in making this reference, of course I must bow to your ruling. My object in raising this question now is to show that not only were we within our rights in making the statement we did, but that the Premier of South Australia who, so far as I know, is not friendly to this project, has publicly, in his own Parliament, recognised and placed on record these pledges in answer to the question challenging the right of honorable senators here to make the statement they did.

Senator DOBSON.—I read all that in the correspondence; but what we wanted was an Act of Parliament.

Senator PEARCE.—The honorable and learned senator not only asked for an Act of Parliament, but strenuously contended that South Australia had in no way offered us any inducement.

Senator DOBSON.—In a proper way!

Senator PEARCE.—I read this report in order to show that the present Premier of South Australia recognises that an inducement was held out to us by the Premier of that State prior to Federation, and also by his successor; that a definite promise was made by each Premier that a Bill would be introduced, and the statement made yesterday by the present Premier fully justifies the statements which were made here by the senators for Western Australia, and challenged by honorable senators on the other side.

Senator DOBSON.—That extract does not alter the position one iota.

Senator HIGGS (Queensland). — We must all admire the energy and perseverance of our honorable friend. But I see nothing in the evidence so called that he has produced, as to a pledge by South Australia. No doubt a pledge was given by Sir Frederick Holder when Premier of the State, and, perhaps, by his successor, Mr. Jenkins, and others.

Senator GUTHRIE.—But Mr. Jenkins' pledges were conditional.

Senator HIGGS.—Yes, they were. These promises, if put to the test in the Parliament of South Australia, might meet with the same fate as the promise of Mr. Deakin when Prime Minister, that if he could help it he would not allow civil servants to be included in the operation of the Conciliation and Arbitration Bill.

Senator MILLEN.—But they did not intend to carry out their promise.

Senator HIGGS.—One might just as well claim that Sir John Forrest's statement that the contribution of Australia to the British Navy ought to be £5,000,000 per year, expresses the opinion of Australia on that question.

Senator PEARCE.—Is the honorable senator aware that Senator Dobson said that if we were to send men to make the survey they would be summoned for trespassing?

Senator DOBSON.—I said they could be summoned.

Senator PEARCE.—Not that they could, but that they would be summoned.

Senator HIGGS.—The point of the honorable senator is that South Australia pledged herself to carry out a certain work, and the only evidence in support thereof is the word of Sir Frederick Holder and other persons, which, in his opinion, may amount to evidence, but which I do not think amounts to very much.

Senator MILLEN (New South Wales).—I should like to remind Senator Pearce of this fact that, in spite of all the evidence he brings that certain persons holding public positions did make promises, one of them, Mr. Jenkins, laid it down in a public document that no promise could be binding unless it was contained in an Act of Parliament. That seems to me to sum up the whole position—that one of these gentlemen, whose individual promise is relied upon, has candidly told us and Australia, "You must not take my promise as binding; no promise except that contained in a resolution of Parliament can be held to be binding."

Question resolved in the affirmative.

Senate adjourned at 10.1 p.m.

## House of Representatives.

Wednesday, 13 September, 1905.

Mr. SPEAKER took the chair at 2.30 p.m., and read prayers.

### QUEENSLAND SHIPPING CONTRACT.

Mr. CULPIN.—I wish to know from the Prime Minister, in reference to a statement published in to-day's *Argus*, if he has heard from the Premier of Queensland in reference to the contract entered into by that State with the Orient Steamship Company?

Mr. DEAKIN.—I received a copy of the contract this morning.

### SHIPPING SERVICE COMMITTEE.

Motion (by Mr. THOMAS) agreed to—

That the Select Committee on the shipping service between the Commonwealth and the United Kingdom have power to report the minutes of evidence from time to time.

### PAPER.

Mr. DEAKIN laid upon the table the following paper:—

Correspondence relating to the Immigration Restriction Act.

### COST OF MAIL-BAGS.

Mr. THOMAS asked the Postmaster-General, *upon notice*—

1. What is the cost per 1,000 of the D iron rings which are attached to mail-bags in New South Wales?
2. What is the cost per yard of canvas used in making mail-bags in the same State?
3. What is the cost (labour only) of making 3, 4, 5, and 6 feet bags?
4. How many bags were made each year during the past five years?
5. What is the cost of having the name of the State printed on bags?
6. How many seals are in use throughout the State of New South Wales for sealing mail-bags?
7. What is the average cost per seal?

Mr. AUSTIN CHAPMAN.—Inquiries are being made, and replies will be furnished as early as possible.

### NORTH BRIGHTON POST-OFFICE.

Mr. TUDOR asked the Postmaster-General, *upon notice*—

Whether he will give the House the following information:—

1. What is the amount of allowance paid to the man in charge of the post-office at North Brighton, Victoria?
2. What amount of business has to be done by an allowance post-office before it is turned into an official post-office?
3. How many post-offices are worked on the allowance system in Victoria?
4. How many post-offices are worked on the allowance system in each of the other States?

Mr. AUSTIN CHAPMAN.—Inquiries are being made, and replies will be furnished as early as possible.

### REPRESENTATION BILL.

#### SECOND READING.

Debate resumed from 8th September (*vide* page 2082), on motion by Mr. GROOM—

That the Bill be now read a second time.

Mr. McCAY (Corinella).—I suppose that we are all agreed that a measure of this kind, affecting as it does the representation of the States in this House of the Federal Parliament, is not only of interest to honorable members, but of interest and considerable importance to the public at large. I do not agree with the view which has been expressed that it is immaterial from what States representation comes, because on many large questions differences of opinion will inevitably be caused by the differences of opinion in the States from which members come, since electors will select as their representatives men who hold their views. I had not the pleasure of hearing the

speech delivered by the Minister of Home Affairs in moving the second reading of the Bill, but, thanks to his courtesy, I had an early opportunity to peruse the official report of it, and perhaps I may be permitted, without presumption, to express my disappointment with it, for two reasons: First, because—with every respect to the honorable and learned gentleman—he seems to me to have passed by, rather than to have met, the main legal difficulties connected with this subject; and, secondly, because he refrained from giving the House any information whatever as to what the practical working out of the Government proposals would mean. Both those matters seem to me of great importance, as to which the House had a right to hear from the Minister, and I regret that he did not think fit to deal with them. As a representative of Victoria, I feel that I have a somewhat more special interest in this measure than have the representatives of other States, because Victoria is threatened with a diminished representation as the result of its operation. As one of the three Victorian Ministers in the last Cabinet, which was concerned in coming to a decision of some importance with regard to redistribution, and was subjected to very severe criticism in consequence of the action it proposed to take, I feel it my duty in discussing this measure to place some of the facts connected with the situation before the House; and I hope that I may be so far favoured as to have the substance of my remarks placed before the country, in order that the public may know what the facts were which the late Government, and this Government, too, have had to deal with in considering the question. I use the word “facts” advisedly, in contrast with some of the words of vaguer meaning which have been employed in connexion with this matter during the last month or two.

Mr. MAHON.—“Guesses” the *Argus* calls them this morning.

Mr. McCAY.—Yes. I shall refer to facts. I should like, in the first place, to remind honorable members very briefly of the history of section 24 of the Constitution, under which the Bill is introduced. The Minister of Home Affairs, in quoting what purport to be precedents in the draft Constitution Bill of 1891, the Canadian Constitution, and the Constitution of the United States, appeared to have lost sight of the fundamental differ-

ence between those provisions and the section in the Constitution under which we are living, and under which he has taken action. The draft Constitution Bill prepared by the Convention of 1891 very specifically laid down the periods at which redistribution was to take place. It provided that a fresh apportionment of representatives to the States should be made after each census of the people of the Commonwealth, which should be taken at intervals not longer than ten years. The Canadian Constitution, and the Constitution of the United States, in like manner provide for the ascertainment of the population for the purpose of altering representation on a census. But the Convention which framed the Constitution under which we are now living departed from the form of phraseology used in those Constitutions, and did so deliberately. It provided that the number of members chosen in the several States shall be in proportion to the respective numbers of the people, and determined in a certain manner, involving the ascertainment, not of the number of the people determined by a census, but of the number of the people determined by the latest statistics of the Commonwealth. I propose to refer briefly, a little later on, to what may be meant by the words “the latest statistics of the Commonwealth,” and merely point out in passing the great difference in phraseology between our Constitution and those to which the Minister has alluded.

Mr. GLYNN.—We can alter the arrangement by this very Bill.

Mr. McCAY.—I am not at all sure that we can; but I shall come to that matter later on. Our Constitution uses the words, “latest statistics of the Commonwealth,” instead of the word “census,” which has a definite and ascertained meaning. In 1903, a redistribution of seats was proposed in this House, and last year it was still recognised, not only by the Government of the day, but by all parties, that, in view of the great disparity between the actual numbers of electors in the various electorates, and the limits allowed by the Electoral Act, a redistribution of seats was necessary at an early date, and certainly before the next general election. The Electoral Act allows a margin of one-fifth either way, though, as I have stated on previous occasions, I should have preferred a margin of at least one-fourth.

Knowing that the electorates, so far from differing only in the maximum proportion of six to four, differ in some cases in the proportion of more than two to one, Parliament thought that a redistribution must, in fairness, take place.

Mr. TUDOR.—In some cases the difference is three to one.

Mr. McCAY.—At any rate, it is more than two to one. First, the Barton Government, and then the Reid-McLean Government, undertook to arrange for a redistribution. This redistribution was pressed for last session by a number of those who sat in opposition to the Reid-McLean Administration. That Government, with the approval of the House, undertook definitely—as it undertook a number of things definitely, though it had not had an opportunity to carry them into effect—to be ready with a redistribution proposal when Parliament met this session. During the recess, in pursuance of their promise, they took steps towards proceeding with the redistribution. The first duty they had to perform was to ascertain the respective positions of the States. They had to look into legal questions, and into facts, in order to be able to direct the Commissioners of the various States as to how many electorates each State should be divided into. Through making these inquiries, the late Government became cognizant of certain facts. They became cognizant of the fact that the population of Victoria had not been increasing in the same ratio, so far as the statisticians' estimates guided us, as the population of the other States—that while the quota to determine the number of members was increasing, the population of Victoria was not increasing in the same ratio, and, consequently, if the statisticians' figures were to be accepted as correct, Victoria's representation was diminishing. Then the Government had to consider the question how to deal with this fact. It was pressed by the knowledge that it was bound to be in a reasonable state of preparedness when it met Parliament, and accordingly an Order in Council was passed, and a *Gazette* notice was published, declaring that the population of the various States, as on 31st December, 1904, consisted of certain numbers, and that those numbers were to be the basis upon which were to be determined the number of representatives of the States. That action of the late Administration, in

declaring these figures by Executive act to be the basis of calculation, was most seriously challenged in many quarters. That Government had not, however, acted without precedent. In the *Commonwealth Gazette* of 13th June, 1903—a few months prior to the distribution of the seats under the last distribution schemes, and the presentation to the House of those schemes, which were for the most part rejected, and during the administration of the Barton Government, in which the present Prime Minister was Attorney-General, the present Minister of Trade and Customs was Minister of Home Affairs, and of which the Treasurer was also a member—the following Order in Council appeared:—

Official return of the population of the Commonwealth upon which to determine the number of members of the House of Representatives to be returned by each State.

His Excellency the Governor-General in and over the Commonwealth of Australia, by and with the advice of the Executive Council thereof, has been pleased to approve that, for the purpose of determining the quota upon which to base the number of members to be returned by each State to the House of Representatives of the Commonwealth of Australia, in accordance with section 24 of the Commonwealth of Australia Constitution Act, the return of population as stated hereunder be recognised as the latest statistics of the Commonwealth.

Population of the six States of the Commonwealth, according to the latest official statistics (31st December, 1902).

Then followed the figures, and the order was signed by "Wm. John Lyne, Minister of State for Home Affairs." That was the precedent, and, more than that, it was a precedent with which not a soul in this House or outside of it quarrelled. It could not be pretended that honorable members had no knowledge of the matter.

Mr. MAHON.—Was an election pending then?

Mr. McCAY.—Yes, in December of that year.

Mr. MAHON.—Then the fact that it was passed without any observation becomes all the worse.

Mr. McCAY.—More than that, there was a debate in this House when the whole matter was brought up.

Mr. GROOM.—Upon what question?

Mr. McCAY.—In connexion with the question of the exclusion of certain aliens from the calculation of the population of Queensland.

Mr. GROOM.—The discussion took place on that question only.

Mr. McCAY.—I propose to quote certain remarks that were made during that debate by the present Minister of Home Affairs, who in his speech referred to the ascertainment of the figures by the States Statisticians, and asked the then Minister of Home Affairs whether the figures supplied by the various States were calculated on the same basis.

Mr. GROOM.—That is correct.

Mr. McCAY.—At page 2952 of vol. XV. of *Hansard* the present Minister of Home Affairs said—

If the Minister of Home Affairs, upon investigation, discovers that, in making their computation, the statisticians have not adopted a uniform basis, I think that he should instruct them to do so, with a view to definitely settling the matter without delay.

That referred to all the figures used and to the calculations which were challenged on the ground that certain aliens were wrongly counted in some cases. The whole matter came under consideration, and the then Minister of Home Affairs made the position perfectly clear in the remarks which I am about to quote. He was followed by the present Prime Minister, then Attorney-General, who did not raise any question as to the propriety of the figures, although the then Minister of Home Affairs dealt with them specifically. At page 2957 the present Minister of Trade and Customs is reported as having said—

The figures given in it must be regarded not as State, but as Commonwealth, figures. . . . I am now speaking upon a technical point, which was brought under my notice by the much-abused electoral officer, Mr. Lewis, that sub-section 1 of section 24 of the Commonwealth Act required that the statistics used should be the statistics of the Commonwealth. I informed him that these figures were prepared by a statistician who was acting for the Commonwealth, and that they were therefore officially compiled for our purposes.

No one took exception to that statement. At page 2959 he went on to say—

I have acted carefully and upon the best advice that could be obtained.

I presume that that was the advice of the then Attorney-General. He continued—

I have adopted the figures relating to population which were supplied to the Department of Home Affairs by the statisticians of the States.

These figures were accepted and were submitted to the Cabinet, and gazetted, and not a word of objection was raised. Further on, the present Minister of Trade and Customs said—

I cannot do other than rely upon the figures supplied by the statisticians.

On the very figures which are now called mere estimates and guesses, and stated to be absolutely unreliable, the Barton Government proposed a redistribution of seats in this House.

Mr. GROOM.—They did not propose to take any action—none was necessary.

Mr. McCAY.—The figures showed that there was no necessity for any alteration in the number of representatives of the States, but that does not alter the fact that they were adopted as the basis upon which the number of members was to be calculated, and that they were gazetted before the redistribution was entered upon. Does the Minister mean to say that we are not to quarrel with the figures so long as they do not require us to make an alteration? No alteration in the number of representatives was proposed, because the statistics showed that none was required; but the Government did not retain the old number of representatives irrespective of the figures supplied by the statisticians. On the other hand, they accepted the figures, and based their calculations upon them. Therefore, so far as precedent is concerned, the late Administration had the best precedent.

Mr. GLYNN.—The honorable and learned member might call it the worst precedent.

Mr. McCAY.—Perhaps I shall arrive in time at the point which the honorable and learned member has in his mind. There was more than that to consider. The existence of a precedent was not a sufficient justification for any Administration in pursuing a course which it thought to be wrong, and the then Government, like the present one, had to consider the legal position. Section 24 of the Constitution provides that—

The House of Representatives shall be composed of members directly chosen by the people of the Commonwealth, and the number of such members shall be, as nearly as practicable, twice the number of senators.

The number of members chosen in the several States shall be in proportion to the respective numbers of their people—

That cannot be altered by Parliament. There is no "until Parliament otherwise provides" preceding that provision. It is distinctly provided that the number of members chosen shall be in proportion to the respective numbers of the people. Then the section proceeds—

and shall, until the Parliament otherwise provides, be determined whenever necessary in the following manner—

That manner requires the ascertainment of the number of people of the Commonwealth, "as shown by the latest statistics of the Commonwealth." The section begins by providing that the number of members chosen—that means at an election—shall be in proportion to the people of the States. That is an absolute direction that cannot be altered by this Parliament. But we are told that we can provide a method other than that set forth in the Constitution for determining the number of the people in the States, and the number of members by a mere arithmetical calculation based on the number of people in the States. It is provided that until that is done—and that is the present position—the number shall be determined whenever necessary. One has to ask the meaning of the words "whenever necessary." Do they mean whenever Parliament thinks necessary? That is one view taken of this section. I cannot agree with that view. My opinion may not be a solid or a sound one, but that is the conclusion at which I have arrived. I doubt whether, upon the mere construction of the words "whenever necessary," they mean anything else, but "whenever the actual number of the people renders the operation necessary." That is to say, whenever the numbers of the people vary so as to require variations in the number of representatives. It is urged by *Quick and Garran*, and it is hinted, although not stated, by the Minister of Home Affairs, that these words "whenever necessary" mean whenever it is convenient in the view of the Parliament. I trust that that is the correct view, because otherwise I am afraid the Bill now before us may be challenged as being in contravention of the Constitution. But my own opinion is that the words mean whenever the number of members is not in proportion to the number of people, in accordance with the earlier provision in the section. Therefore, it appears to me—and it appeared to the members of the late Government in the same way—that under a strict interpretation of the Constitution this provision is almost automatic in its operation; that as the population varies the number of members ought to vary also. Parliament can, of course, refrain from performing its duty, but if it discharges its full responsibility it will have to vary the number of members as the number of people in the States vary. If that is what is meant by the section, it

*Mr. McCay.*

will prove highly inconvenient. The fixing of periodic dates seems to be the only convenient method of proceeding, and a very strong argument against the view I have been stating may be advanced on the ground that the Constitution could not mean anything so inconvenient as what I have suggested. In order to uphold that objection, however, a Court would have to come to the conclusion that the Constitution did not say what it meant, and did not mean what it said. That is practically the position that Courts sometimes have to assume, in the interpretation of statutes, but it is a position that they take up only as a last resort. Then the Government had to decide what were the latest statistics of the Commonwealth, because, even if the number of people in the States had actually varied, their number could not be determined according to the Constitution if the latest statistics of the Commonwealth were not ascertainable. I should like to point out, in passing, that it does not suggest that the matter should be determined by Parliament—that it should not be an Executive Act—which was the view taken by the Barton Government when by Executive act it determined the number of members. The next question is: "What are the latest statistics of the Commonwealth," because if no numbers are ascertained, according to these "latest statistics"—it does not matter what are the actual numbers—there can be no re-allotment of members. Roughly speaking, I may say that the view put forward by those who criticise the action of the late Government was that the "latest statistics of the Commonwealth" meant the latest statistics ascertained by the Commonwealth. That, however, is not what the Constitution says. My own opinion is that those words mean the latest statistics relating to the Commonwealth, and, in proof of my contention, I venture to submit one or two arguments which might not be admissible in a court of law, but which are nevertheless proper arguments to submit in this House. In the first place, the Constitution Bill of 1891, the Canadian Constitution, and the United States Constitution all specifically refer to "census" as contrasted with "statistics" in this section. In the second place, I find that clause 26 of the Commonwealth Constitution Bill, in the form in which it went to England to be adopted by the Imperial Parliament, instead of setting out the numbers of



members as they now appear in our Constitution Act, contained a few words in brackets and in italics to the effect that they were to be determined "according to the latest returns at the passing of the Act." There were some interesting references made to this matter in the Convention debates. From the official report of the debates in the Adelaide Convention, I find that Sir Edmund Barton said—

The number of members to be chosen by each State shall be as follows:—that is, to be determined according to latest statistical returns at the passing of the Act.

Throughout the Convention discussions the right honorable member for Balaclava and the present Attorney-General time after time drew attention to what would happen to a State like Victoria owing to the operation of this provision. They directed attention to the fact that its inevitable result would be that unless the population of Victoria grew to an extent equal to the average growth of Australia, its representation would dwindle and dwindle.

Mr. ISAACS.—We tried to alter that provision.

Mr. McCAY.—Yes; but the honorable and learned gentleman and those who supported him did not succeed. That is my point. At the Melbourne Convention, as will be seen by reference to page 1838 of the official report, the honorable and learned member for Northern Melbourne, in discussing what is now section 26 of the Constitution is reported to have said—

At what stage is it proposed to have the gap filled up? Is it before this Bill is sent home or afterwards?

Mr. O'CONNOR.—It is to be filled up according to the latest statistical returns, at the date of the passing of the Act by the Imperial Parliament.

Mr. HIGGINS.—You leave it for the Imperial Parliament to fill in the gap?

Mr. O'CONNOR.—Undoubtedly. The figures may change in the meantime.

The words "statistical returns" are used there, and the word "statistics" is employed in section 24, whereas the term "census" is used in the draft Constitution Bill of 1891, in the Canadian Act, and also in the United States Constitution. I venture to say without any hesitation that whatever the term "Commonwealth statistics" in section 24 may mean, it means something more than the word "census"—something less definite, less certain, if honorable members choose—but something different from the word "census," with its

well-ascertained meaning. Consequently, I hold that the "latest statistics of the Commonwealth" are not synonymous merely with the census returns. The word "census" was deliberately abandoned by the framers of our Constitution. Under sub-section 11 of section 51 of the Constitution, the Commonwealth is empowered, amongst other subjects, to make laws in regard to "census and statistics." In that provision "census" is again differentiated from "statistics."

Mr. HIGGINS.—Because we may have statistics which relate to goods as well as to men.

Mr. McCAY.—I am perfectly well aware of that. I do not base the whole of my argument upon the meaning of those words in that sub-section. That is merely one of the many straws which show the way in which the current is flowing. I contend that the circumstance to which I have referred shows that "statistics" are something different from an actual enumeration of the people. The present Government entertains the same view as did the recent Administration. When we recollect all that was said by some honorable members, including the Attorney-General, in regard to the Bill which the late Government intended to submit, I say that the action of that Administration finds complete justification in the measure which is now under consideration. The Attorney-General finds salvation in an Act of Parliament, as contrasted with an Executive act. If the thing be done by Act of Parliament, his contention is that the figures are all right, but if it be done by Executive act, they are all wrong. This Bill is intended to accomplish two things. First of all, it deals with the present position, and in the second place, it deals with future matters. The late Administration recognised, just as well as does the present Government, that as regards the future, it was desirable to pass some Act—if the law permitted it—in order to arrange for periodical revisions, rather than for revisions which might take place at any time. They were dealing with the present situation as well. As to the present, I hold that the statistics of the Commonwealth are not confined to the census returns. The variations of language afford a strong argument in that direction. What is the meaning of the term "statistics of the Commonwealth"? Does it mean "statistics ascertained by the

Commonwealth"? With every respect I say that that seems to me an unworthy argument. It suggests that the signature of the Chief Electoral Officer attached to returns of population under the provisions of a Commonwealth statute will make the figures which they contain right when they are not right. It evidences a trust in the signature of that officer as a miracle worker—a trust which I do not possess. Either the figures are right or they are wrong. If they are wrong, the signature of the Chief Electoral Officer will not make them right. In the remarks which I have quoted in regard to section 26 of the Constitution Mr. O'Connor pointed out that the figures might change between the periods of the passing of the Bill by the Convention and its being passed by the Imperial Parliament. As a matter of fact, the Statisticians' "guesses," as they are called, were accepted for the original representation of the States.

Mr. GLYNN.—They were not embodied in the Constitution.

Mr. McCAY.—The figures with which some honorable members have quarrelled were those which were used in connexion with the first Federal election. In my judgment, the term, "statistics of the Commonwealth," does not mean statistics ascertained by the Commonwealth, but actual figures of Commonwealth population. In other words, it means statistics relating to the Commonwealth. The word "of" is ambiguous—it may mean half-a-dozen things. I freely admit that it is a question which is open to argument. But presuming that the late Government were wrong in their view, and that a Bill was necessary to validate the whole matter, surely it was entitled to assume that the necessary legal authority would be given by this Parliament. I take the view, however, that no legal authority is necessary to meet the present situation. The matter was very fully considered, and, rightly or wrongly, we came to that conclusion. I now wish to deal with the facts, as they are at present, relating to the representation of the States, and in this connexion I propose to give some figures. I shall give the figures which faced the recent Administration and those which confront the present Government in dealing with the matter. In the first place, I say that, so far as this Bill deals with the immediate necessities of the situation—with the redistribution that it proposes shall take place

before the next general election—there is not a figure or a fact different from the figures and facts which were used by the late Government. The present Administration, in submitting this Bill, and in declaring, in paragraph 2 of clause 3, that—

The first enumeration day shall be appointed as soon as practicable after the commencement of this Act,

admit that they are going to accept those figures. In effect, they say, "We are going to accept the Statisticians' estimates with the possibilities of error—indeed, everything which our predecessors proposed to accept." If we turn to Schedule A, and look at all the calculations, and the allowances for unrecorded arrivals and departures, which require to be made, it will be seen that every one of those are allowances actually being made at the present time by the Statistician of every State Government. Indeed, the provision has been adopted *verbatim* from the report of the conference of the Statisticians of the States which met in 1903. They are better figures than those upon which the Barton Government acted, because the latter were not uniform.

Mr. GROOM.—In 1903 it was want of uniformity which gave rise to the criticism which was indulged in by honorable members of this House.

Mr. McCAY.—It was much more than that. Let the Minister of Home Affairs read the speech delivered by his present colleague, the Minister of Trade and Customs, and the *Gazette* notice. He deliberately accepted the Statisticians' figures. If the only thing to which objection was raised in 1903 was want of uniformity, why was the action of the last Government, in basing their action upon uniformity, challenged? I repeat that the very allowances set out in the schedule are those upon which all the States Statisticians proceeded, and in accordance with which they have revised the whole of their figures since the census of 1901. I say at once as a Victorian member that I scrutinized the proposals of the late Government with jealous suspicion. If I could honestly have found any reasonable cause to object to those proposals, which meant depriving Victoria of one representative, I most certainly should have objected to them. It was not until an overwhelming and irresistible mass of facts confronted us that

the honorable member for Gippsland, the right honorable member for Balaclava, and myself gave way. We could not help ourselves any more than the present Government can help themselves. The Minister of Home Affairs, the Attorney-General, and the Prime Minister know perfectly well that if this Bill becomes law and an enumeration day is appointed, Victoria will have only twenty-two representatives in this House. I am very sorry that it is so.

Mr. HIGGINS.—Why should the honorable and learned member be sorry?

Mr. McCAY.—I am sorry that Victoria is to lose any of her representation.

Mr. HIGGINS.—Victoria ought to lose one representative.

Mr. McCAY.—I regret that the State of Victoria is not progressing as fast as are the other States.

Mr. ISAACS.—The honorable and learned member is sorry that the State of Victoria is not progressing more rapidly.

Mr. McCAY.—I am sorry that Victoria is not progressing rapidly enough to enable her to retain her representation. If, upon the facts presented to me, any reasonable ground for questioning the accuracy of the figures existed, or if there had been any reasonable doubt as to whether Victoria should, or should not, retain twenty-three representatives in this House, I should have given this State the benefit of the doubt. But the Victorian members of the late Government exercised all the care that they could. First of all, the question arose as to whether the estimates were based upon this uniform scheme. Then we relied upon the Victorian Statistician for all our figures and references. Before we consented to the proposal to reduce Victoria's representation to twenty-two members, the then Treasurer, the right honorable member for Balaclava, put a specific question to the Victorian Government Statistician, as to whether any error, likely to have occurred, could place Victoria in the position of being entitled to twenty-three members. The Government Statistician replied, however, in even a more emphatic way than that in which the question was put. On the 20th March of this year, in a letter to the then Treasurer, he wrote—

I do not think that any error—

there is no question of its being any error “likely to occur” —

which may have occurred will entitle Victoria to twenty-three members.

The facts before us showed that that was so, but we desired something more—we wished to obtain the assurance of the Government expert on the point. In the face of this letter, and having regard to the figures which we had worked out for ourselves, we felt that we were honestly called upon to give effect to the proper facts, in accordance with the provisions of the Constitution. I wish now to refer to remarks made in the course of press interviews by the present Attorney-General and the honorable and learned member for Northern Melbourne. On the 6th April last, the *Age* newspaper opened the ball with the statement that—

In proposing, on the strength of mere statistical guesswork, to deprive Victoria of a seat in the House of Representatives, the Federal Ministry is exposing itself to the certainty of being rebuked by the Federal Parliament.

It went on to declare that the section of the Constitution governing the question meant that the decennial census returns should be taken. I do not know whether the sudden defeat of the late Government was really the rebuke prophesied by the *Age*, but the question was revived in May last, when Mr. Irvine — a distinguished member of the State Parliament — expressed the opinion that the only basis of calculation was an enumeration of the population—in other words, that there must be a “census,” in the ordinary acceptance of the word. The present Attorney-General, the honorable and learned member for Indi, also gave an opinion which was characterized by his usual caution. He said that first of all Parliament had to determine whenever a redistribution was necessary. I beg leave to doubt the accuracy of that contention. He went on to say that, as regards that section of the Constitution which deals with the taking over of the States debts in proportion to the “population statistics of the Commonwealth,” the words “Statistics of the Commonwealth” could not refer to some hazy indefinite estimate. But the words “Statistics of the Commonwealth” must have been used in the same sense in the finance clause of the Constitution, as they were in section 24, which relates to the question now before us. The present Attorney-General described the figures which his Government have now accepted as a mere—

hazy, indefinite estimate made at the request of the Minister of some Department, and wholly unprovided for by law.

The estimates are made regularly by the Statisticians of the States, and are supplied at the request of the Minister; but it cannot be said that they are "made" at the request of a Minister, and are wholly unprovided for by law. It seems that the magic of an Act of Parliament is to change wrong figures into right figures—is to transform "hazy, indefinite estimates" into accurate figures on which the representation of the States is to be determined. The Attorney-General went on to say that until Commonwealth officers are "authorized to obtain, and do obtain, proper information," this cannot be done. What is "proper information"? Here, again, we have the ægis of an Act of Parliament. The figures for our guidance will be the same after this measure has been passed as they were before. We shall have the same figures collected by the same persons on the same basis, and subject to the same allowances as before. The Attorney-General continued—

What has Mr. Topp to turn to as "latest statistics"? They are merely estimates by the State Statisticians—apparently under State laws—and afterwards adopted by the Federal Executive Council.

To paraphrase the words of the honorable and learned gentleman, I shall say that the figures dealt with by this measure are merely estimates of the States Statisticians, apparently under State laws, and that they are now to be adopted by the Federal Parliament. Nevertheless, the fact remains that they are still mere estimates by the States Statisticians—that they are absolutely the same as before. I come now to the opinion expressed by the honorable and learned member for Northern Melbourne, who, to use a vulgarism, "went the whole hog," declaring that the term "statistics of the Commonwealth" meant a census.

Mr. HIGGINS.—I did not say so.

Mr. McCAY.—The honorable and learned member said that it meant a systematic enumeration of the inhabitants of the Commonwealth.

Mr. HIGGINS.—Exactly.

Mr. McCAY.—Then what did the honorable and learned member mean if he did not intend to convey that an actual count should be made?

Mr. HIGGINS.—I did not speak of a census, and I would ask the honorable and learned member to keep to the expression that he first used.

Mr. McCAY.—I have used the word "census" all through in the sense of an

actual count. I notice that in giving the opinion to which I have referred, the honorable and learned member looked up the dictionary for the definition of the word "statistics." I should like him to tell us what is the meaning of the word "enumeration." When he used that word, did he refer to an estimate, or an actual count? If he meant an actual count, then he was really referring to a census in the sense that I have been using that word. If, on the other hand, he was referring to a calculation, and thinks that figures are good when authorized by a Federal law, but bad when authorized only by an act of the Federal Executive, I repeat that here again he is sacrificing the substance for the shadow. He is assuming that bad figures may be made good by an Act of Parliament.

Mr. GLYNN.—They may be wrong; but the Bill is simply introduced to make them right.

Mr. McCAY.—I was referring, not to the terms of the Bill, but to the opinion expressed by the honorable and learned member for Northern Melbourne, who holds that the latest statistics mean the latest systematic enumeration of the inhabitants of the Commonwealth. He does not say that that enumeration shall be authorized by Federal law. I come now to certain figures that I desire to lay before the House. Let me begin by quoting those relating to the estimated population of Australia on 31st December, 1904. These were the latest that could be obtained by the Government of the day in March last, when they entered upon the consideration of this question. The present Attorney-General, in the course of a press interview, asked why the late Government selected the figures for the 31st December, 1904, and went on to say, "There must have been some reason for it." The reason was that they were the latest available when the late Government dealt with the matter. We had to begin to consider the matter before May, in order that it might be settled by that date. The present Attorney-General suggested that there must have been some occult reason for selecting the figures for 31st December last, and apparently the inference was that Victoria was to suffer by their adoption, in preference to the selection of those for March, 1905. I shall show whether or not there is any warrant for that implication. On 31st December, 1904, the effective population of the Common-

wealth—and by “effective population,” I mean the population excluding full-blooded aborigines and aliens disqualified under certain sections of the Commonwealth Constitution Act—according to the estimates of the Statisticians, was 3,951,829. Dividing that total by 72, we get as the quota, 54,886, and the half quota is thus 27,443. Dividing the population of New South Wales, which was estimated at 1,457,246, by the quota, it was found to be entitled to twenty-six full members, and to have a balance of 30,210 persons, or 2,767 more than half the quota, so that she was thus entitled to twenty-seven members. I may say, in passing, that the fact that New South Wales was to gain a representative had nothing to do with the fact that Victoria was to lose one. Victoria might lose a representative without New South Wales gaining one, and New South Wales might lose a representative without Victoria gaining one. Victoria's population of 1,210,304, divided by the quota, gave her twenty-two members, with a balance of 2,812 persons, or 24,631 short of the half quota that would entitle her to a twenty-third member. But even if Victoria had had 24,631 more than she was shown by this estimate to have, she still would have been entitled to only twenty-two members, unless the population of the other States had been over-estimated to that extent, because, by adding 24,631 persons to the total population of the Commonwealth, we should thereby increase the quota, making the remainder, after dividing by the quota, less than half the quota. If Victoria had had the additional 24,631 persons, she would not have been entitled to more than 22'30 representatives. Assuming that the population of the other States was correct, and that that of Victoria alone was under-estimated, in order to have twenty-three members she would have required to have, in addition to her estimated population, no less than 35,836 people. These were the facts that faced the late Administration when they dealt with this matter. No member of the late Government rejoiced at the prospect of Victoria losing one of its representatives—I do not think that any one would do so—but that was the fact that faced us. What possible errors could creep in to lead us to suppose that the estimate was so far out as has been suggested? The Statisticians of Victoria and New South Wales were wrong in

their estimates between 1891 and 1901. But to what extent? The New South Wales census of 1901 showed that her Statistician had over-estimated her population by 12,000, while the Victorian census of that year showed that the population of this State had been under-estimated by 10,000. If between April, 1901, and December, 1904—a period of three and a half years—the Statisticians were as far out in their calculations as they were in respect of the whole of the preceding ten years, the population of Victoria would still have been 20,000 less than the number entitling her to twenty-three representatives. We must not forget, however, that during the three and a half years which I have mentioned, the Statisticians in question had adopted a new allowance, based on the errors disclosed by the preceding census, so that their estimates were more likely to be correct.

Mr. WILKS.—I hope that the honorable and learned member has not made a mistake.

Mr. McCAY.—I certainly have not. The next point which the late Government had to consider was as to the allowances made. It was thought that possibly the errors in regard to the three and a half years period, which I have named, were larger than were those for the preceding ten years, and, having regard to that possibility, I took the actual reported departures from Victoria. There is an allowance for unrecorded departures of 10 per cent. on actual recorded departures by land and 9 per cent. on actual recorded departures by sea, from Victoria. These were added on to the actual recorded departures, and they still further reduce the net population.

Mr. CHANTER.—What system is adopted for recording the arrivals and departures?

Mr. McCAY.—Surely the honorable member is aware of the system adopted by the Department of Trade and Customs and the Railway Department.

Mr. CHANTER.—I have seen thousands travelling by rail who were not counted.

Mr. McCAY.—Possibly. I am pointing out that the Statisticians of Victoria and New South Wales between them were only 22,000 out in ten years, and if that 22,000 had been given to Victoria, it would have not have made any difference to her position. It is not a question of a difference of a few thousands, but of a difference of 35,000, or of 24,000 each way, a total of 48,000. If the total of

the actually recorded departures from Victoria by land and sea were taken as correct, and no deduction made, that is to say, if we assumed that not a single departure from Victoria has been unrecorded, and the State was credited with 9 per cent. for unrecorded arrivals by sea, and 10 per cent. for unrecorded arrivals by land, and not charged for a single unrecorded departure by either land or sea, she would not have a sufficiently large population to entitle her to a representation of twenty-three members. No Minister, and no member, whatever may be the State he represents, can close his eyes to facts of that kind. I would have acted differently if I could have fairly done so, but it was impossible. As the late Government have suffered a good deal of adverse criticism in this connexion, I trust that, in fairness to us, the facts which I have given to the House will be made public, so that our side of the question, as well as the other side, may be known. So far as this matter is concerned, the present Bill does not in any way alter the facts. On the 31st December last, Queensland was entitled to nine representatives, with a surplus population of 5,010, which was a long way short of the number required to give her a tenth representative.

Mr. FISHER.—But, Victoria and New South Wales count their aliens, while we exclude them from our statistics.

Mr. McCAY.—If Queensland were credited with her 22,000 excluded aliens, and the aliens in the other States were not taken into account, she would still not have a sufficient population to entitle her to a tenth member.

Mr. FISHER.—I admit that.

Mr. McCAY.—On the 31st December, 1904, if the 22,671 aliens in Queensland, which are not now taken into account, had been included in her population, she would have been entitled to only nine representatives, and would have had a surplus of 21,846 people, or 2,754 people short of the number entitling her to a tenth representative. South Australia on the same date had a population entitling her to six representatives, and a surplus of 40,665 people, or 13,222 more than were required for a seventh representative. Both Western Australia and Tasmania send five representatives to this House under the provisions of the Constitution, though their populations do not entitle them to that representation; but when Western Australia has obtained an-

other 10,000 people, if her population continues to increase at the present rate, she will be entitled to her present representation on her statistics as well as under the Constitution.

Sir JOHN FORREST.—There is very little justification for any alteration in the case of Western Australia.

Mr. McCAY.—It is not proposed to make any. On the 31st December, 1904, Victoria was nearer to twenty-three members than to twenty-one, having a population sufficient to entitle her to twenty-two members, and a little more. I also remembered what the tendency of population was, and found that the population of the other States is increasing more rapidly than is that of Victoria. If anything would justify that forecast, the figures for the 31st March and the 30th June of this year do so. They do not cover a long period of time, but the trend is very marked in the six months. On the 31st March of this year the effective population of the Commonwealth was 3,967,388, and the quota 55,102, entitling New South Wales to twenty-six representatives, with a surplus of 32,981 people, or a balance in excess of the requirement for a twenty-seventh representative of 5,430, which was twice as many as the State had three months before. The Victorian population on that date was 1,210,530, which, divided by the quota entitled that State to twenty-one representatives, with a surplus of 53,388 persons, or an excess over the half quota of 25,837, giving her a total representation of twenty-two representatives. She was 29,465 persons short of the population that would have entitling her to a representation of twenty-three members, and only 25,837 in excess of the representation entitling her to twenty-one members.

Mr. TUDOR.—If we wait until next year the figures may be different.

Mr. McCAY.—I am coming to that. On the 30th June of this year the effective population of the Commonwealth—and all the figures with which I have been supplied were supplied to me by the Department of Home Affairs, and obtained by that Department from the Government Statistician of Victoria—was 3,982,188. The population of Victoria was 1,211,003, which, divided by the quota of 55,308, entitled Victoria to a representation of twenty-one members, with a surplus of 49,535, or 21,881 over the half quota, so that the State had

then 21,881 more than were necessary to give her a representation of twenty-one members, but was short by 33,327 of the population necessary to entitle her to a representation of twenty-three members. Victoria could not have had a representation of twenty-three members on the 30th June of this year unless she had possessed 33,327 more people than she is estimated to have, and the other States between them had had that number less than they are estimated to have. In other words, the estimates must have been wrong to the extent of 66,654, and it is inconceivable that they could be wrong to that extent. If the figures for the other States were right, and on the 30th June of this year the population of Victoria alone had been underestimated, she would have required, owing to the increase of the quota by the increase of her own population, 48,614 persons more than she was estimated to have, to entitle her to a representation of twenty-three members. What can one do in the face of figures like that? How can one say that any estimate, however open to challenge on the ground of inaccuracy, could be wrong to that extent, in view of the fact that in no previous decennial period, as gauged by the census, have the figures been wrong to that extent? As regards Queensland, the position was the same on the 30th June last as it was on the 31st December. Giving her the excluded aliens, she was 2,049 short of the number which would have entitled her to a tenth representative. On the 30th December Victoria, however, was 24,600 short of the number that would have entitled her to a representation of twenty-three members, while on the 31st March of this year she was 29,400 short, and on the 30th June 33,300 short, assuming that the other States were over-estimated to the same extent. But assuming that the other States were rightly estimated, and that only Victoria was under-estimated, she was 35,836 short on the 31st December of last year, 42,606 short on the 31st March last, and 48,614 short on the 30th June last. I quote these figures to show that if any well-founded charge in connexion with this matter is to be brought against the late Administration, the only one that could be justified would be that, in the interests of Victoria, they did not hurry matters sufficiently to enable things to be fixed up before her population became too small to entitle the State to a representation of twenty-two members. Unless a

change takes place within twelve months, from this date, Victoria will be entitled to a representation of only twenty-one members, because her population is increasing at a smaller rate than are the populations of the other States. It is not that it is diminishing.

Mr. TUDOR.—In the country districts the population of Victoria has been diminishing for the last thirty years, although it has been increasing in the towns.

Mr. McCAY.—Her population, as a whole, is increasing slowly, but at a lesser rate than are the populations of the other States. The criticisms passed on the preceding Administration must be admitted, in the face of the facts I have mentioned, to have been unfounded. Apart from the legal question raised, we had no option but to do what was done. We had pledged ourselves to be ready with a scheme of redistribution when we met Parliament again, and, as we believed that the legal position was what we had stated it to be, we had no option to do other than what we did. Neither has this Government the option to do other than what it is doing, if it wishes to act fairly. They provide, first of all, as regards the future for five-yearly periods, and for the present that, as soon as possible after the passing of the measure, an enumeration day shall be fixed, which is saying, in other words, that the figures which were taken by the last Government will be taken by them. I should have preferred decennial to quinquennial periods for the future, for reasons which are obvious.

Mr. FISHER.—Decennial periods are too long.

Mr. McCAY.—I am aware that the representatives of other States would quarrel with a proposal to fix decennial periods. There are cases in which the estimates are pretty near the border line. For instance, we are comparatively near the border line in regard to the figures entitling New South Wales to a twenty-seventh member. On the 31st December last, she had a margin of only 2,767. On the 31st March, it had increased to 5,430, and on the 30th June to 8,311, so that it is rapidly growing. New South Wales is increasing in actual numbers more rapidly than any of the other States. In six months her population has increased by 16,000 persons, while that of Western Australia has increased by 9,000 persons.

Mr. FISHER.—But her percentage increase is not so large as that of Western Australia.

Mr. McCAY.—No. However, the margin over what entitles her to a twenty-seventh member is rapidly growing. With regard to Victoria, if it were a margin of only 2,000, 3,000, or 4,000 we might have said, "We will not deprive a State of a member on such a small difference"; but since it was 35,000, if the other States estimates are correct, and 24,000, if the population of the other States is over-estimated to the same extent, it is very serious. The Bill proposes quinquennial estimates of population, and a decennial census. As I have said, I would prefer decennial periods, but the late Government would have proposed something for regulating the enumeration in a manner similar to that now proposed, if they could have thought it constitutionally correct. That, however, is quite a different matter. The preparations for the future made by this Bill are quite another matter from its recognition of the present position. If the Bill is to become law, the sooner it does so, and is acted

upon, the better it will be for Victoria. I must apologize for having detained the House so long, but, as a Victorian Minister in the late Administration, I felt entitled to put before honorable members the facts which influenced us, and compelled us to do what we did. I do not care how much the accuracy of the estimates may be disputed, they cannot be wrong to an extent which will disprove the facts which I have stated. If Victoria was not debited with a single unrecorded departure since the last census—and some 399,000 departures have been recorded since the last census—but, on the other hand, was credited with unrecorded arrivals to the extent of 10 per cent. on the arrivals actually recorded, still, she could not establish her claim to twenty-three members. Struggle gallantly as we might—and we pestered the Minister of Home Affairs to verify his figures, and we challenged the calculations in every possible way—we found that the figures were against us, and we had to give way, and I think that we were justified in doing so. Honorable members will find full particulars of the figures to which I have referred in the following tables:—

State.	Population, deducting excluded Aliens, &c.			Number of Members to which State entitled.			Quota and Half Quota on—		
	On 31.12.04.	On 31.3.05.	On 30.6.05.	On 31.12.04.	On 31.3.05.	On 30.6.05.	31.12.04	31.3.05.	30.6.05.
New South Wales	1,457,246	1,465,633	1,473,973	26 and 30,210 over = 27	26 and 32,981 over = 27	26 and 35,965 over = 27	54,886 (27,443)	55,102 (27,551)	55,308 (27,654)
Victoria ..	1,210,304	1,210,530	1,211,008	22 and 2,812 over = 22	21 and 53,388 over = 22	21 and 49,535 over = 22			
Queensland ..	498,934	500,569	503,698	9 and 5,010 over = 9	9 and 4,651 over = 9	9 and 5,926 over = 9			
South Australia	369,981	371,243	371,577	6 and 40,855 over = 7	6 and 40,631 over = 7	6 and 39,729 over = 7			
Western Australia	235,114	239,607	243,953	5	5	5			
Tasmania ..	180,200	179,806	177,984	5	5	5			
Total ..	3,951,829	3,967,388	3,982,188						

On 31st December, 1904, Victoria for 23 Members required 24,631 more people, but then only if the other States actually had 24,631 less.

On 31st March, 1905, Victoria for 23 Members required 29,465 more people, but then only if the other States actually had 29,465 less.

On 30th June, 1905, Victoria for 23 Members required 33,327 more people, but then only if the other States actually had 33,327 less.

ON the assumption that Victoria alone was underestimated as to population, and that the estimates for other States are correct, in order to entitle Victoria to 23 Members, by virtue of having 22 quotas and a half quota.

	Victoria required additional Population.	Commonwealth population would be—	Victorian Population would be—	Quota would be—	Half Quota would be—	Number of Members would be—
On 31st December, 1904 ..	35,836	3,987,665	1,246,140	55,384	27,692	22.5 = 23
On 31st March, 1905 ..	42,606	4,009,994	1,253,136	55,694	27,847	22.5 = 23
On 30th June, 1905 ..	48,614	4,030,802	1,259,617	55,983	27,991	22.5 = 23



I hope that a change will take place, and that the population of Victoria will increase as rapidly as the average population of the Commonwealth, so that that State may not continue to lose representation. But, if the present trend of affairs be any guide, I am afraid that she will have for years to come to face the possibility of a loss of representation. I believe the people of Victoria, when they come to know the facts, will, as fair-minded folk, recognise—as I believe that their representatives in this House will also recognise—that there is no option but to submit to a reduction in the representation of the State. Certain legal objections have been raised against the Bill by distinguished lawyers, but the Government is concerned with the facts upon which justice is established, and this Government, like any other, has to recognise that the facts are such that they cannot stand against them. Even though the Prime Minister is a Victorian, they have to leave the Constitution to its reasonable operation. I think that, apart from all legal objections, the Bill should become law, and that it should be promptly brought into operation. If promptly acted upon it will have the same effect as if the legal question had not been raised; but if it is not promptly brought into operation, the effect upon Victoria will be worse than ever.

Mr. HIGGINS (Northern Melbourne).—The only difference between myself and the honorable and learned member for Corinella is that he supports the Bill and abuses the Minister; whereas I support the Minister and abuse the Bill.

Mr. McCAY.—I do not remember abusing the Minister.

Mr. HIGGINS.—The honorable and learned member commenced by attacking the Minister in respect to his previous utterances, and he also taunted him with having followed the lead of the previous Government. At all events, I think the Bill is a mistake, and as my name has been mentioned by the honorable and learned member, I wish to explain why I regard the measure as opposed to the provisions of the Constitution. I think that the question of the reduction of the number of representatives of Victoria is a very small one. Australia will not lose anything, so long as good representatives are returned from all parts of Australia in reasonable proportion to the population. The position I take up is a simple one, namely, that it

was never intended that the proportion of members for each State should be altered upon the estimate of any statistic, however eminent. That is the whole position, and the honorable and learned member for Corinella did not, in the course of his able speech, discuss the question as to the meaning of the term used in the Constitution, "The latest statistics of the Commonwealth." If the honorable and learned member's view is right, any Ministry, as soon as it thinks there has been a movement of population, will be justified in bringing down a new Representation Bill. That might happen once a year or once in two or three years, and we should be liable at any time to have a Representation Bill brought forward to the exclusion of practical business. This measure provides that the Chief Electoral Officer's certificate shall, for the purposes of the Bill, be accepted as evidence as to the number of the people of the Commonwealth. That certificate must be based upon the statements of the Statisticians, and, therefore, in essence we have to rely upon the Statisticians' statements, and to assume that the numbers of the people in the various States are as the Statisticians estimate them. Personally, I have not the least doubt that Victoria has lost a sufficient number of people in proportion to the other States to reduce her representation in this House. I have not the least doubt as to the trend of population in Victoria as compared with the other States. The honorable and learned member for Corinella stated that he had taken into account the trend of population. That is the very thing he had no right to do. His only consideration should have been the actual population, having regard, not to the Statisticians' statements, but to the latest statistics. Therefore, the honorable and learned member has gone quite beyond his duty in looking at the trend of population. He had no right to do that. If the late Government did that they were wrong, as also is the present Government if it has been influenced by the same consideration. The more we rely upon the actual simple words of the Constitution, the better we shall be able to judge as to the attitude we should assume now and hereafter, because the Bill will be used hereafter as a precedent for making other changes in the representation, when other States will be prejudicially affected. I warned the Minister for Home Affairs that he was wrong with regard to a section

of the Judiciary Act, but he did not take heed of my advice, and afterwards in the Courts it was found that I was right. I say without hesitation that in this case he is going wrong with regard to the latest statistics of the Commonwealth, because Statisticians' guesses are not the latest statistics.

An HONORABLE MEMBER.—Does the honorable and learned member suggest that the latest census is referred to?

Mr. HIGGINS.—I do not confine myself to the latest census, but to the latest systematic enumeration.

Mr. GLYNN.—By the Commonwealth?

Mr. HIGGINS.—That may be a debatable matter, but, at all events there must be a systematic enumeration.

Sir PHILIP FYSH.—A progressive statistical return?

Mr. HIGGINS.—I do not think that that is necessarily a systematic enumeration.

Mr. McCAY.—Does the honorable and learned member mean an actual count of heads?

Mr. HIGGINS.—I mean an actual count of heads in some fashion which may reasonably be called an enumeration, and not a mere estimate. If one looks at section 24 of the Constitution, he will see that it is clear that the number of members chosen in the several States is to be in proportion to the respective numbers of the people. That is all very well, supposing that the number of the people can be ascertained. But the section afterwards describes how the number of members is to be ascertained. It proceeds—

And shall, until Parliament otherwise provides, be determined whenever necessary in the following manner—

I see no difficulty in regard to the meaning of the words "whenever necessary." They mean simply whenever it is necessary to determine the number—that the number shall be determined whenever it is necessary. Now let us see how that number is to be determined. The section provides—

A quota shall be ascertained by dividing the number of the people of the Commonwealth, as shown by the latest statistics of the Commonwealth, by twice the number of the senators.

At the time the Constitution was framed all the States had a census taken at least once in ten years, and we dealt with the state of affairs as it then existed. The idea was obviously that we should rely upon the census, and that we should not be affected by the trend of population, as the honorable and learned member for Cori-

nella would have it, or by the calculations or estimates of statisticians. It was intended that the number of the people should be ascertained by the latest statistics; as matters stood then, by the last census.

Mr. CONROY.—Does the honorable and learned member mean to say that the draftsman did not understand the difference between "census" and "statistics"?

Mr. HIGGINS.—No. But I say that the draftsman had in his mind a systematic enumeration, and that if he had intended the numbers to be ascertained by any other means than an enumeration he would have specified it. The draftsman did not know exactly what method of enumeration might be followed in the various States, and therefore he used the term "latest statistics." No doubt he had mainly in his mind the last census. If it were at all material the honorable and learned member for Corinella has shown that the population of Victoria has not been advancing in the same ratio as those of the other States. With all respect to the honorable and learned member, I do not think that that has anything to do with the question. It might on certain occasions justify a certain enumeration, or the taking of a census more frequently than every ten years; but at the same time it has nothing to do with the question of our being guided by the latest statistics. If honorable members will look at the meaning of the word "statistics" in any dictionary, they will find that it means a systematic enumeration, and not a series of ingenious guesses. I do not object to the reduction of the number of Victorian representatives, because I think that that is a matter of very little importance. As Victorians, I think we are all well protected by our having representatives from the other States here, who will take care that no injustice is done to us. It is not on that ground that I take objection to the Bill. When I was asked whether the proposed mode of changing the representation was constitutional, I stated that we were bound to abide by the statistics as they appeared in the last actual count. Take the case of China, for instance. There have been grave questions as to the actual population of that country. Suppose any one spoke of the latest population statistics with regard to China, we should say there were no such statistics. While persons have estimated the popula-

tion of China with very great care, their estimates do not constitute statistics. Therefore, I think that the honorable and learned member for Corinella has absolutely missed the point at issue. Having regard to the fact that the best statisticians make serious errors, those who framed our Constitution decided that "the latest statistics of the Commonwealth" should form the basis of the representation of the States, and not the estimates of States Statisticians. An attempt has been made to show that the words "the latest statistics of the Commonwealth" mean the latest statistical estimates of the Commonwealth. I attach very little importance to the reduction in the number of Victorian representatives in this House. But I say that hereafter other changes will be recommended upon the faith of this procedure. I hold that we are going the wrong way to work. We are asked to break the constitutional prescription by bringing in a number of matters which we have no right to introduce, such as the supposed trend of population, which might alter to-morrow, as the result of a gold rush, for which contingency provision is made in the Constitution.

Mr. DUGALD THOMSON (North Sydney).—The able and exhaustive address of the honorable and learned member for Corinella, in which he gave figures which I had intended to use in the debate upon this Bill, renders it unnecessary for me to enter into many considerations that otherwise I would have felt myself justified in debating. As the Minister who was primarily responsible for the proposal which was accepted by the late Cabinet, I endeavoured to approach the matter of the representation of the States with an independent mind, and with an unbiased judgment, such as I am sure any member of this House placed in a similar position would have sought to exhibit. When it was decided that a redistribution of seats should take place, I was asked by the officers of the Department whether the representation of the States was to be taken into account. I replied that, as the Constitution declared that "whenever necessary" the representation of the individual States should be taken into account, surely it was necessary—if it would ever be necessary—when we were adjusting the inequalities between electorate and electorate that we should adjust those between State and State. In regard to the steps which were to be

taken to make that adjustment, I instructed the electoral officers that unless they saw reason to depart from the procedure adopted by another Ministry, when the same problem was under consideration, that procedure was to be followed in its entirety. That was done. I saw no reason to depart from it, and the action taken by a previous Ministry was consequently followed by the late Government. To me it is rather strange that some of those who have taken exception to the action of the late Government were members of this Parliament at the time the Barton Administration accepted the statistics furnished by the States Statisticians, gazetted them as the statistics of the Commonwealth, and determined—as they showed no necessity for altering the representation of the States—that there should be no alteration in that representation. That process was adopted by the Barton Government. The honorable and learned member for Northern Melbourne and the present Attorney-General were members of this House at the time. Upon that occasion allusion was made to the method which was being adopted, but neither they, nor any other member of the House, offered one word of objection to the procedure of that Government.

Mr. FISHER.—Political issues were not affected.

Mr. DUGALD THOMSON.—The honorable member for Wide Bay has made an interjection which partakes of the nature of a suggestion. I do not say for a moment that honorable members remained quiet, although a wrong course was being followed, simply because their State representation was not affected. I would rather put it the other way, and say that, as their State representation was not affected, their attention was not sufficiently directed to the procedure which was being adopted, and consequently they accepted it without that greater deliberation which they gave to the matter when they saw that their State's representation was to be decreased.

Mr. HIGGINS.—I should not have observed it but for the fact that I was asked a question.

Mr. DUGALD THOMSON.—If the Barton Government took a wrong course upon that occasion, the honorable and learned member for Northern Melbourne, as well as every other member of this House, was equally responsible.

Mr. GROOM.—At that time attention was drawn to the want of uniformity in the method of taking the returns.

Mr. DUGALD THOMSON.—Some attention was drawn to the omission of a large number of aliens in the case of Queensland.

Mr. GROOM.—And to the uncertainty as to whether a uniform rule was being applied.

Mr. DUGALD THOMSON.—The honorable and learned member for Northern Melbourne states that when the Federal Convention decided upon section 24 of the Constitution, the delegates had in mind the census returns as the basis of State representation. Is it not surprising—as was put by the honorable and learned member for Corinella—that the Bill which formed the basis of our Constitution—that is, the draft Bill of 1891—actually declared that the consideration of the necessity for an alteration in the representation of the States should take place after a census.

Mr. HIGGINS.—The word “statistics” is larger than the word “census.”

Mr. DUGALD THOMSON.—If the word “statistics” has a larger meaning than the word “census,” it was adopted in order that something more than census might be adopted for the official returns. The clause in the draft Bill framed by the Convention of 1891, which bears upon this matter, states—

A fresh apportionment of the representation of the States shall be made after each census of the people of the Commonwealth, which shall be taken at intervals not longer than ten years, but a fresh apportionment shall not take effect until the next general election.

That provision was deliberately abandoned by the Conventions which met prior to the establishment of Federation. The honorable and learned member for Northern Melbourne had every reason to know that it had been abandoned, because it was abandoned not only in regard to the Constitution Act, but also in regard to the first representation of the States in this House. Surely, if there was ever an occasion upon which the census returns should have been taken to determine the exact representation of the States, that occasion was when the number of representatives to which the various States were originally entitled in this Parliament was fixed. Surely that was the most important epoch in the history of this question. At that time the 1901 census could easily have

been ante-dated. The Commonwealth could have taken the census a year earlier. Instead of that, the Convention deliberately adopted the figures of the Statisticians.

Mr. KENNEDY.—Did not the subsequent census prove that those figures were considerably out in the totals?

Mr. DUGALD THOMSON.—They did not affect the representation. The subsequent figures did prove that there were some 10,000 or 12,000 persons in one State less than was estimated, and about as many more in another. But to meet the error which the Statisticians saw had crept in during that period, they adopted certain allowances, which have been embodied in the Bill under consideration.

Mr. HIGGINS.—How does that affect the question of the meaning of the words “the latest statistics”?

Mr. DUGALD THOMSON.—I intend to show that, so far from determining that the statistics should be those of a census, the Convention decided that the original representation of the States should be based upon the figures of the Statisticians.

Mr. GLYNN.—The States had nothing to go on.

Mr. DUGALD THOMSON.—The Commonwealth could have readily anticipated the 1901 census by taking a census in 1900.

Mr. GLYNN.—The States do not all take their census at the same time.

Mr. DUGALD THOMSON.—But the Commonwealth could have arranged that the census should anticipate the fixing of the representation. Here is what Mr. O'Connor moved in connexion with the fixing of the original representation of the States:—

Notwithstanding anything in section 24, the number of members to be chosen by each State at the first election shall be as follows:—To be determined according to the latest statistical returns at the date of the passing of the Act, and in relation to the quota referred to in previous sections.

The following is an extract from the report:—

Mr. O'CONNOR (New South Wales).—I beg to move—That the words “section 24” (line 2) be struck out, and that the words “the last preceding section” be substituted.

Mr. HIGGINS (Victoria).—I see in this clause that there is a gap after the words “as follows.” At what stage is it proposed to have that gap filled up? Is it before this Bill is sent Home, or afterwards?

Mr. O'CONNOR.—It is to be filled up according to the latest statistical returns, at the date of the passing of the Act, by the Imperial Parliament.

Mr. HIGGINS.—You leave it for the Imperial Parliament to fill in the gap?

Mr. O'CONNOR.—Undoubtedly. The figures may change in the meantime.

The amendment was agreed to.

This absolutely shows what was the intention of the Convention—subsequently indorsed by the Imperial Act—as to the first representation in the Commonwealth Parliament. We see that the Convention deliberately substituted for the word “census” the words “the latest statistics of the Commonwealth.”

Mr. GLYNN.—They omitted all reference to “statistics” from clause 26.

Mr. DUGALD THOMSON.—But they deliberately left out of clause 24 the reference to the census contained in the draft Bill.

Mr. GLYNN.—The more significant point is that they never inserted those words in clause 26.

Mr. DUGALD THOMSON.—It is provided that the latest statistics of the Commonwealth are to be taken for the purpose of establishing the representation.

Mr. HIGGINS.—No; the “statistical returns.”

Mr. DUGALD THOMSON.—What is the difference?

Mr. HIGGINS.—There is a material difference.

Mr. DUGALD THOMSON. — The action of the present Ministry shows that the late Government could not have taken any other course than they did. We find that when they are face to face with the situation that we had confronting us they are prepared to take the same statistics. Even census returns are far from being absolutely correct.

Mr. HIGGINS.—They are the best that we can obtain, and why should we not go for the best?

Mr. DUGALD THOMSON.—I repeat that the census returns are not absolutely correct; that the States having larger areas and more scattered populations invariably suffer. This is proven by the electoral returns. I have before me some figures, which I prepared for another purpose, that illustrate the point I am now making. They show what is the actual proportion of the elective population of each State to the whole population, and I may say, in passing, that I compared them, after the electoral lists had been collected, with the pro-

portion of the electors in each State. I shall merely quote the figures relating to four of the States, as showing that it is quite impossible to accept the census returns as fully in the case of the larger States, where the population is scattered, as in the case of the smaller States. In New South Wales, for instance, the proportion of those over twenty-one years of age to the total population was 52 per cent., while the proportion of electors was only 46 per cent., or a difference of 6 per cent. In Victoria, with its circumscribed area and closer settlement, the proportion of those over twenty-one years of age to the total population was 54 per cent., and the proportion of electors to the total population was 51 per cent., or a difference of only 3 per cent. In Queensland, on the other hand, the proportion of those over twenty-one years of age to the total population was 52 per cent., whereas the proportion of electors to the whole population was 44 per cent., a difference of 8 per cent. In Tasmania, again, the proportion of those over twenty-one years of age to the total population was 50 per cent., and the proportion of electors to the total population was 47 per cent., or a difference of 3 per cent.—exactly the same as in the case of Victoria. These figures illustrate the effect of concentration; and also prove that a census—which is called for in connexion with this matter, because it is supposed to be almost absolutely correct—may be very far out in the case of the larger States. I admit, after all, that the census must be the basis of our calculation; but I hold that, having regard to the movements of our population—to the fact that large numbers are attracted from one State to another by developments such as have occurred in Western Australia—it would be highly undesirable to deal with the question of representation only once in ten years. I agree that the provision in the Bill, providing for a re-arrangement every five years, is sufficient. As regards the loss of a representative by Victoria, which, as the honorable and learned member for Corinella has said, has nothing whatever to do with the gain of a member by New South Wales, I personally regret, as much as does any representative of this State, the fact that Victoria, for some considerable time, has failed to keep step with the other States in the matter of population. No State can suffer in this respect without some reflective action on another,

and, if it were possible, it would be well, not only for Victoria, but for the whole of the Commonwealth, that there should be progress along the whole line. We have to recognise, however, that the population, not only of Victoria, but of Australia, is shifting from the pressure of the closely-settled parts to the more open areas of the Continent, and that it is probable that the increase in the States possessing the larger areas will be for many years out of proportion to the increase of population in Victoria.

Mr. TUDOR.—But it is our country districts that are losing population.

Mr. DUGALD THOMSON.—I am sorry to hear that. A loss in the rural districts is one of the worst features associated with a reduction of population. The honorable and learned member for Northern Melbourne has said that the honorable and learned member for Corinella, and his colleagues in the late Ministry, had no right to take into consideration the trend of population. I assert, however, that we had a right to take into account every circumstance that would tend to show the correctness, or incorrectness, of the figures with which we were dealing. Our sole object was to ascertain whether those figures really represented the actual facts. and, in justice to the State of Victoria, every point was taken into account, in order that it might be ascertained whether or not any serious error had been committed. That was only what ought to have been done. It was recognised that the whole trend of population since 1891 supported the figures presented to us by the Statisticians. Had the Federation been in existence in 1891, Victoria would have been entitled, on the census returns of that year, to twenty-six representatives. and New South Wales would have also been entitled to twenty-six. But every enumeration that has been taken since then shows the trend of population to be in the direction of a reduction in the case of Victoria, and an increase particularly in the case of New South Wales and some of the other States, although that increase has not been quite sufficient in the latter to call for an addition to their representation.

Mr. GROOM.—The trend of population has been towards the north.

Mr. DUGALD THOMSON.—And also towards the west. So far as Western Australia is concerned, however, any increase that has occurred is covered by the special

representation which it is allowed under the Constitution. I am not going to repeat the figures quoted by the honorable and learned member for Corinella, but I would remind the House that even the returns for the last two quarters show that the trend of population is further and further in the same direction. In these circumstances, I think that the representatives of Victoria in the late Ministry were thoroughly justified in the decision at which they arrived, in common with their colleagues who represented other States. As honest representatives of the Commonwealth as a whole, they were fully justified in arriving at the decision that the only course open to them was that which they adopted. It was for this reason that, although I was the Minister primarily responsible for the proposal, I was very pleased to allow the honorable and learned member for Corinella, as one of the representatives of Victoria in the late Ministry, who was attacked by the press of his own State for his action in this regard, to precede me in order that he might have the first opportunity to put forward the figures on which we relied, and to explain the reasons for the decision arrived at by the late Cabinet. The present Attorney-General, when the proposals of the late Government were made public, seemed to consider that that Government were acting unfairly to Victoria, and that they had no right to accept the Statisticians' figures as determining the basis of representation. He appeared to hold the view that the census should alone be adopted as the basis of representation; but as soon as he and his colleagues are faced with the responsibility which every member has to bear when acting, not for a section, but for the whole of the Commonwealth, we find them accepting as the basis of the representation of the States in the near future, the very statistics which their predecessors were blamed for adopting.

Mr. FISHER.—But a great deal has happened since then.

Mr. DUGALD THOMSON.—There are of course explanations. I hope that in this connexion, the Minister of Home Affairs will see that the very considerable expense incurred by the late Government in this direction will not be lost—that action will be taken at a sufficiently early date to make use of the figures, and, as far as possible, of the divisions that were adopted by the Commis-

sioners appointed by the late Government. Otherwise there would be, not only a great deal of confusion, but large additional expense. I think that, now that it has been determined that the figures of the Statisticians are to be taken, the sooner we progress with the previous scheme of redistribution the better it will be for the Parliament and for the finances of the Federation.

Mr. PAGE.—Is there any difference between the scheme provided for in the Bill and that which the honorable member's Government introduced?

Mr. DUGALD THOMSON. — I have said that there is none. We were reviled for our evil acts, and attacked for our unconstitutional proceedings; but our successors are now faced with the same facts. I do not say that it is to their discredit that they are doing what we did. I would have thought it to their discredit if, in order to enable some of their members to act consistently with their previous remarks, they had adopted something which was not fair and just. Having been faced by the facts and circumstances with which we were faced, the present Ministry have had to come to the same conclusion.

Mr. FISHER.—Does not the honorable member think it an advantage to have statutory provision for quinquennial enumerations.

Mr. DUGALD THOMSON.—The honorable member will understand that the late Government had to take action during the recess. We had promised Parliament that action would be taken for a redistribution during the recess, so that everything would be ready when Parliament met. We could not redistribute the electorates until we had determined what the representation of the States should be. That was the first question which faced me as the Minister who inquired into this matter. A decision as to what the representation of the States should be had to precede redistribution. Unless I could get the machinery to work in time to have matters ready for Parliament when it met, I should have broken my promise to the House, which I had no intention of doing, or should have had to postpone the putting forward of my proposals to so late a period of the session that they would probably not have been carried into effect. Therefore, the Government decided to act in this matter just as the Barton Ministry had acted. But that did not prevent us from further deal-

ing with it so that future distributions should not be left to the mere whim or will of the Ministry, and I had a proposal to bring that about. But that was to be at a later stage. We had to come to Parliament before that could be accomplished.

Mr. PAGE.—Did the honorable member really intend to do what this Government proposes to do?

Mr. DUGALD THOMSON.—I do not say that we intended to do exactly what is now proposed, but I had a proposal for the consideration of the Cabinet.

Mr. GROOM.—Had the honorable member drafted a Bill?

Mr. DUGALD THOMSON.—No. I had drafted some clauses for the Electoral Amendment Bill, but it was considered wiser that they should be inserted in a separate measure.

Mr. PAGE.—But the honorable member's proposal would have had the same effect as that of this Ministry?

Mr. DUGALD THOMSON.—It would have provided for fixed periods of readjustment of representation, instead of leaving matters to the will or whim of the Ministry.

Mr. FISHER.—Hear hear. The principle is the same.

Mr. DUGALD THOMSON.—I am not, of course, speaking of this as the proposal of the Cabinet, because it had not received the consideration of the Cabinet. I myself would go even further, and would say that we should by law determine when there should be redistributions.

Mr. FISHER.—Hear, hear. I would say every five years.

Mr. GLYNN.—We could do that only indirectly by saying when there should be enumerations.

Mr. DUGALD THOMSON. — Or by determining how many electorates must be out of balance to make a redistribution necessary.

Mr. GROOM.—A suggestion as to that is contained in the Electoral Bill.

Mr. DUGALD THOMSON.—I put a suggestion of that kind into the Electoral Bill which I prepared. It is highly improper that these matters should be left to Ministers. Sometimes it leads to perhaps unfounded charges against Ministers, on the score that they are acting in their own interest or in that of their party. Moreover, this is not a question for a Ministry alone. Every State and every representative of a State has a right in this respect.

I think that the members who represent the States should determine, not merely when a readjustment of representation shall take place, but when redistributions shall take place. That may easily be provided for, either at certain periods, or when a certain proportion of the electorates are beyond the margin allowed.

Mr. GROOM.—That proposal is contained in the Electoral Bill which has been circulated to-day.

Mr. DUGALD THOMSON.—No doubt the Minister would have made such provision of his own accord, but he has flattered me by adopting the proposal which I put into my Electoral Bill. I shall not detain the House longer. The honorable and learned member for Corinella has put the facts and figures which I, as well as he, had collected, exceedingly fairly and very ably before the House. He has, I think, shown the people of Victoria that the Victorian members of the late Ministry, so far from neglecting the interests of that State, fought every inch along the line, until they found that justice and honesty were against any other position than that which they agreed to adopt.

Mr. HIGGINS.—Is that revealing a Cabinet secret?

Mr. DUGALD THOMSON.—It is not. The honorable and learned member for Corinella has said that they were my severest critics, and so they were. But they were always fair critics, and when they were convinced that any other attitude would not be an honorable one to maintain, they, like honorable men, in spite of their regret that Victoria would lose by a readjustment of representation, came to the same determination as that of the other members of the Cabinet.

Mr. FISHER.—What about the *Argus*? The honorable member will surely not dispute the fairness of that newspaper? It says that it should not be done.

Mr. DUGALD THOMSON.—I do not admit that any newspaper is fair at all times, and it is a failing with all of us that we regard a newspaper as unfair whenever it differs from and criticises us. It is in the interests of the whole Commonwealth that there should be an honest and straightforward settlement of this matter. What I am sure will be the decision of Parliament will do credit to us, and will help to establish confidence, which would have been shattered had either the Ministry or the members of this Parliament taken the ad-

vice of certain newspapers, whose one law seems to be that the rule of might is the rule of right.

Mr. WILKS (Dalley). — You, Mr. Speaker, must recognise the courage and critical faculty of the honorable and learned member for Corinella in reference to this matter. So powerful was his criticism of the measure that, contrary to my ordinary behaviour, I was compelled to make an unwilling exclamation. I agree with him in lamenting the depopulation of Victoria.

Mr. McCAY. — Not depopulation, but less rapid increase of population.

Mr. WILKS.—I will qualify my statement in that way. I do not rejoice or gloat over this fact, and I sympathize with the honorable and learned member in being compelled to point out the great disparity which now exists between the various electorates. Bad as we have always considered the position to be, the honorable and learned member's close examination of the facts has shown it to be even worse than we expected. But honorable members as a whole will, I am certain, take an Australian view of this matter. They will not be influenced by the fact that New South Wales will gain a representative by a readjustment of the representation of the Commonwealth. In a few years Queensland may be in a similar position, because the tendency of our population is to increase more rapidly in the eastern and north-eastern coastal districts than elsewhere. The present Government are doing what the late Government were reviled for proposing to do. If Victoria were in the position which New South Wales occupies, the press and public of this State would be clamouring for a readjustment of representation. But although the Reid Government were reviled for what they proposed, the only difference between their proposal and that of this Government is that they wished to do by an Order in Council what this Government wishes to do by an Act of Parliament. However, the fact that a machinery Bill has been brought in does not satisfy me of the *bona fides* of the Ministry. It is no test of the genuineness of their desire to have a readjustment of representation. Possibly the introduction of this measure may delay that readjustment. All that the Bill does is to empower the Chief Electoral Officer to obtain certain figures from the Statisticians, but the Minister of Home Affairs



could have obtained the same information without the passing of the measure. The Barton Ministry evaded the position altogether, the Reid Ministry were prevented from recognising it, and what reason have we to believe that the Deakin Ministry will not also evade it?

Mr. FISHER.—Surely we must take their word?

Mr. WILKS.—That is like asking a child to shut its eyes, open its mouth, and take what is given to it. The honorable member for Wide Bay is not a child, and he is not so unsophisticated as to suppose that the measure now before us will in itself suffice to bring about a redistribution of seats. I would ask the Minister of Home Affairs whether it is the intention of the Government as soon as this measure is passed to take the steps necessary to bring about a redistribution of seats before the present session closes?

Mr. GROOM.—As soon as the Bill is passed, its provisions will be acted upon, and as soon as a redistribution is shown to be necessary, provision will be made for it.

Mr. WILKS.—There is no authority for making such a redistribution under this Bill.

Mr. GROOM.—Provision is made under the Electoral Bill which is being circulated in the Senate. That measure provides that a redistribution shall be made whenever it is shown to be necessary.

Mr. WILKS.—The present measure does not make a redistribution necessary, although the honorable and learned member for Corinella quoted certain figures which showed that it should take place at the earliest possible moment. Several members of the present Ministry were opposed to a redistribution of seats on a former occasion. Some of them said that the States statistics could not be relied upon, and yet they have under the present Bill accepted the same means of information that were then available. The Barton Government baulked at one hurdle, and how are we to know that the present Government will not baulk at some other obstacle? How are we to know that a redistribution of seats will take place unless some guarantee is afforded that the certificate of the Chief Electoral Officer will be acted upon? Judging from previous experience, we have every reason to entertain doubts as to the practical results likely to follow from this

measure. It was very gratifying to find the honorable and learned member for Corinella giving his strong support to the measure, and acknowledging that it was necessary in order to do full justice to the other States. I think, however, that we shall not satisfactorily deal with this matter until some authority outside of Parliament is empowered to carry out the intentions of the Constitution. We know that certain delays may take place, because certain regulations are required to be laid before Parliament, and I can foresee that ample means would be available to those who desired to prevent a redistribution of seats from being brought about. The figures presented to us by the honorable and learned member for Corinella with regard to the disparity in the number of electors were really astonishing. If such figures had been submitted by representatives of New South Wales they would have been discredited; but now there can be no doubt as to their correctness, and I hope that the Government, in view of the necessities of the case, will do everything they can to facilitate a redistribution of seats. We all regret that one State is losing population, but that is not a matter of parliamentary concern. Parliament should have no control over the redistribution of the electorates. That is a question solely affecting the interests of the electors, and therefore should be placed entirely beyond parliamentary control. The honorable and learned member for Northern Melbourne raised a mere quibble when he spoke of the necessity for a systematic enumeration. He was not so much concerned about a systematic enumeration as a systematic evasion of the Constitution. The assurance given by the Minister of Home Affairs, that as soon as the Electoral Officer has obtained sufficient information to justify a redistribution of seats, the electorates in the various States will be distributed upon an equitable basis, is satisfactory so far as it goes, but I should like to feel as sure of winning £10,000 as I do that obstacles will be raised to the redistribution of seats, which will result in our going to our constituents next year under the same conditions that obtained at the last election. I am satisfied that the forces in Victoria in opposition to the Bill are strong enough to create almost insuperable obstacles to its being carried into practical effect. I do not suggest that the Ministry have brought forward the Bill

as a subterfuge, but I feel confident that it will be so used as a consequence of representations which will be made by the Victorian press and others. I do not consider that the interests of the electors will be safeguarded until the whole question of the redistribution of seats is taken out of the hands of Parliament.

Mr. GLYNN (Angas).—I think that a mistake was made by the first Federal Parliament in not making provision for the compilation of Commonwealth statistics. I think it is fairly clear that the intention was that, as soon as possible after the first Parliament was returned, statistics should be prepared for the purpose of ascertaining the number of representatives to which each State was entitled. Although the Constitution declares that members are to be returned in proportion to the number of people in each State, it does not follow that we should be continually changing the representation. The wording of our Constitution is not the same as that adopted in the United States Constitution, but the effect is the same. In the latter case, provision is made that the representation of the various States shall be according to the respective numbers of the people, but no provision is made for an enumeration every year for the purpose of ascertaining whether the proportion of representation of the various States is to be varied. They have had a census every ten years, but, as a matter of fact, they are not obliged to wait for that period to elapse. At the outset provision was made in Article I., section 3, for a certain number of members for each State until an Act could be passed to provide for specifically ascertaining the actual population. That was what was done under our own Constitution. The American Constitution went on to say that the actual enumeration should be made within three years after the first meeting of Congress. In other words, it was distinctly stated in the Constitution that the first Congress must pass an Act to provide, not for the adoption of existing statistics, but for ascertaining by a special enumeration the number of people within the Federation, in order that the number of members to which each State was entitled might be determined. The Constitution goes on to say that an enumeration shall take place within every subsequent period of ten years. We are attempting to accomplish the same result, but by somewhat different words.

Our Constitution does not provide for the statistics of the States being made the basis of their representation in this Parliament. Instead, the framers of our Constitution left it to be understood that the blanks, which appear in section 26, were to be filled up by taking the statistics of the States *pro tem.*, and ascertaining by the application of the quota the number of members to which they were entitled. Practically what the Convention did was to declare that the number of representatives to which each State is entitled shall be ascertained by Commonwealth statistics. I do not believe that we ought to adopt the statistics of the States for that purpose. We are doing that, but it is not what the Constitution contemplates. That charter of government contemplates that we should not sleep upon this matter—that we should have made some provision in this connexion four years ago.

Mr. GROOM.—But there was a census taken four years ago.

Mr. GLYNN.—For Commonwealth purposes, the Constitution ignores State statistics. Those statistics are absolutely good for State purposes until we pass an Act dealing with statistics and abrogate State legislation upon the subject. The powers of the States extend only to the collection of statistics for State purposes. When we pass an Act relating to statistics and census we can alter the method of collecting statistics within the various States, because that method must be uniform throughout the Commonwealth, if we so prescribe it. The States have no concurrent power to declare that their statistics shall affect the representation of the Commonwealth.

Mr. CONROY.—They can declare what those statistics are, and we can adopt them.

Mr. GLYNN.—That is so. But I would point out that our Constitution does not contemplate that we should really adopt the statistics of the States for the purposes of a first redistribution.

Mr. McCAY.—Surely that is what the Constitution says.

Mr. GLYNN.—The honorable and learned member commenced his argument by introducing the opinions of various delegates, as expressed in the Federal Convention. I quite agree that it is a very vicious principle to attempt to interpret the Constitution, or its presumed intention, merely by quoting the words employed by any Convention delegate. I do not quote the opinions expressed by delegates—

I rely upon the spirit of the Constitution. The honorable and learned member for Corinella, however, went further than that. He sought to justify the action of the late Government in following the precedent of the Barton Administration—which declared the existing statistics of the States to be valid without a Commonwealth Act—by showing that a similar mistake was made by delegates to the Convention. What appears to have been contemplated was, that we should follow the American example. Consequently, I say that we should put it out of the power of the States to determine what ought to be the basis of representation in this House. The Commonwealth ought to deal with this matter. If we rely upon States statistics, one State may very easily obtain a far bigger representation than that to which it is entitled. Hence the power from the very outset was deliberately taken from the States. But now, owing to the delay which has taken place, we are obliged to adopt what has been done by the States.

Mr. SKENE.—Why are we obliged to do that?

Mr. GLYNN.—Because it seems fairly clear upon the statistics of the States that Victoria will lose one representative, whilst New South Wales will gain one; and, as the cost of taking a census would be £120,000, the late Ministry declared—and the present Government entertain the same view—that it would be a pity to take a special census for the purpose of giving New South Wales its proper share of representation. At the same time, we are not obliged to do that. We ought in future to adopt a specific enumeration for Commonwealth purposes. We ought not to rely upon the statistics of the States.

Mr. CONROY.—Could not our statistical officer refuse to adopt the statistics of the States if he thought that they were "cooked"?

Mr. GLYNN.—We prescribe the manner in which he is to make the enumeration.

Mr. McCAY.—Under this Bill the statistics of the States may be rejected.

Mr. GLYNN.—No doubt they may be. We have the power to declare that in future a specific enumeration shall be the basis of the parliamentary representation of the States. Under sections 24 and 51 of the Constitution we have that power. The method of ascertaining the population of the States for the purposes of section

24 may be determined by Parliament. Under section 51 statistics may also be collected, but the manner in which we are to obtain statistics for the purposes of representation is a matter for our own option. I would suggest that, as we have power to postpone a redistribution for a period of ten years, we ought to say that at the end of every ten years the census returns collected by the Commonwealth shall form the basis of the representation of the States. We do not desire frequent changes. They are bad in principle, and are practised nowhere. Even democratic countries are not continually redistributing their electorates, although representation in some States is based as far as possible upon their population. The Bill itself is intended to make temporary provision in this respect by adopting the census returns of the States as the basis of representation. Upon a glance at its provisions, I confess that to me they appear to be somewhat inconsistent. For instance, clause 3 provides that an enumeration day shall be appointed at the expiration of every fifth year after the taking of the then last preceding census, whereas clause 4 declares that—

Until the census is taken pursuant to any law of the Commonwealth, the census taken pursuant to the law of any State shall, as regards that State, be the census for the purposes of this Act.

It seems to me that one State may take a census return during one year, and another State during a different year.

Mr. FISHER.—I think that the census taking is now uniform throughout the States.

Mr. GLYNN.—If that be so, my objection falls to the ground.

Mr. FISHER.—Speaking from memory, I think that the census returns are now taken at a uniform time throughout the States.

Mr. G. B. EDWARDS.—Nearly all communities compile their census returns during years ending with the figure "one"—as, for example, in 1901.

Mr. GLYNN.—I doubt whether clause 10 is constitutional, but upon that question I shall defer my remarks until the Bill reaches Committee.

Mr. KNOX (Kooyong).—I listened with very great pleasure to the speech delivered by the honorable and learned member for Corinella, but I have consistently held that it is undesirable to accept mere statistics as the basis for determining so important a matter as that which is involved

in this Bill. When I was in London, some time ago, I heard Lord Rosebery deliver a speech, in the course of which, in commenting on certain figures which had been presented, he referred to the various degrees of unreliability by saying, "There are lies, condemnable lies, and statistics." Whilst I think that our State statistics are compiled with care, and that they are the result of years of experience, I cannot imagine that our Constitution intended anything else than that there should have been some general compilation of the population of the entire Commonwealth. As far as I can understand, the Constitution does not declare that the Commonwealth must of necessity accept the statistics of the States in any shape or form. We have the power to do so if we choose, but surely as a general principle it is desirable that there should be some means of ascertaining, for Commonwealth purposes, what is the population of the Commonwealth. We can only arrive at an accurate knowledge of what our population is, for the purposes of State representation, by taking a census. Honorable members admit that it is an unimportant matter whether New South Wales gains an additional representative and Victoria loses one. If that be so, why should we change the existing state of things with such haste, and before we have obtained accurate figures as to the population of the Commonwealth.

Mr. DUGALD THOMSON.—Because a Redistribution of Seats Bill has been promised. Under the circumstances referred to by the honorable member, we should be again called upon, within a very short period, to effect another redistribution.

Mr. KNOX.—That would not be a very expensive proceeding. It would merely involve the appointment of a Commissioner—

Mr. DUGALD THOMSON.—It would also mean the printing of new rolls.

Mr. KNOX.—Surely the rolls would have to be revised every year, in order to meet the movements in population.

Mr. DUGALD THOMSON.—They would have to be redistributed.

Mr. KNOX.—I feel that, in view of all these facts, I shall be justified in adhering to the opinion I have formed that we shall act wisely in refraining from making any alteration in the representation of the States until we have the census returns before us. If we are to have changes of representation at intervals of less than ten

years, we shall have a state of uncertainty which is highly undesirable. The disadvantages of making a change at the present time would overwhelm any of the suggested advantages to be derived from this measure, and I think that we ought to wait until we have the actual census figures before us. I shall not venture to discuss the question of what is the meaning of the words "the latest statistics of the Commonwealth," as used in the section of the Constitution governing this matter. That is a question that must be left to the lawyers. All that I have to do is to consider the question from a common-sense point of view, and I have arrived at the conclusion that the only satisfactory statistics that we can adopt are those obtained as the result of an elaborate, proper, and systematic enumeration, taken either directly for Commonwealth purposes, or in the ordinary course of events by the individual States. I think I shall be acting in the best interests of the Commonwealth, as well as of the State of which I am a representative, in voting against the second reading of the Bill.

Mr. SALMON (Laanecoorie).—I desire to refer briefly to this question, which is one of the gravest importance, and may have a serious bearing on the State of which I have the honour to be a representative. I deeply regret that the honorable member for Dalley should have made a comparison which is not fair to any State, and is particularly unfair to Victoria. The honorable member said that he viewed with feelings of astonishment the fact that the honorable and learned member for Corinella, although a representative of Victoria, should have been able to summon sufficient courage to make the exhaustive statement that he did regarding the question of representation as adversely affecting this State. I sincerely hope that one's views on this question will not be held to be entirely coloured and controlled by the fact that one is a representative of a particular State. It is well that we should recognise that we are here as the representatives, not of any particular State, but of the whole Commonwealth. It should be our desire to do justice to every part of the Commonwealth, and not to secure advantages for one State at the expense of the rest. That is the view which I take in approaching this question. The honorable and learned member for Corinella was enabled to make an elaborate statement be-

cause of the fact that, as a member of the late Government, he had access to documents and records which are not readily obtainable by private members. He had also had an opportunity to discuss the question with his colleagues in the late Government, and, knowing the loyalty to their State of the three members of that Cabinet who represented Victoria, I am sure that that discussion was a very full one. In these circumstances the honorable and learned member has been able to deal more completely with the whole question than an honorable member in ordinary circumstances could hope to do. It seemed to me that he was more anxious to excuse the act of the late Government—

Mr. McCAY.—I did not wish to excuse anything; there was nothing requiring an excuse.

Mr. SALMON.—I am referring only to the impression which his speech made on my mind, and am not going to ascribe to the honorable and learned member any motive that he would not care to have attributed to him. The feeling that was engendered by the statement that he made to the House was that he was more anxious to explain and to excuse the action of the Government of which he was a member—

Mr. McCAY.—Not excuse, please.

Mr. SALMON.—I am speaking only of the opinion that I formed. I may have misapprehended the honorable and learned member's intention, but that is my misfortune rather than his fault.

Mr. HIGGINS.—He was seeking to justify the action of the late Government.

Mr. SALMON.—At all events, that was the impression which I formed from his speech, and it is one which, notwithstanding his disclaimer, is still firmly fixed in my mind. It is a misfortune that we have to view the matter of the representation of the States in the House and that of the actual electoral representation from two different stand-points. In section 24 of the Constitution the expression "the people of the Commonwealth" is used, apparently with the intention that the representatives shall be chosen by the electors of the whole Commonwealth. In the same section, however, the words "the people" are used in quite a different sense, the intention there being to refer to the whole of the population of the Commonwealth. It is a misfortune that the Constitution is not more explicit

with regard to this point. It is also unfortunate that the numbers of those who are to constitute the State representation are to be different from those who are to provide the electoral representation. I am not going to discuss the alleged loss of population, because I do not believe that any loss has actually occurred. The fact remains, however, that for some reason or other Victoria has not progressed so rapidly in the matter of population as have the other States. We have some solace in the fact that the latest electoral rolls show that Victoria has not gone back in the matter of her electoral representation. We have now on the rolls for Victoria 2,260 more electors than there were at the time of the election in 1903; but the rolls for New South Wales show that she has 21,071 less than she had at the election in question. I quote these figures in order to give point to the argument that it is to be regretted that population, and population alone, should be the governing factor in the matter of representation. To my mind, the framers of the Constitution would have shown greater forethought had they provided that the electoral strength of a State should have some bearing on any alteration so far as its representation in this Chamber was concerned. If the Bill now before us be carried, and the estimates which have been quoted by the honorable and learned member for Corinella be adopted, what will be the position? We shall have a representative of New South Wales representing on the average 20,947 electors, while every representative of Victoria will represent 27,969.

Mr. DEAKIN.—Hear, hear.

Mr. SALMON.—That is a disparity which I feel sure was never contemplated by the framers of the Constitution.

Mr. McCAY.—As the Prime Minister cheers this remark, he ought to withdraw the Bill.

Mr. DEAKIN.—Is that the honorable and learned member's idea of logic?

Mr. SALMON.—Surely some consideration should be given to the electoral strength of a State?

Mr. McCAY.—The honorable member's figures are wrong, for the average number represented by a member from New South Wales would be not 20,947, but 24,666.

Mr. SALMON.—I did not know that these figures were available until a few moments ago, when I obtained them from the Minister of Home Affairs, and I am

prepared to accept the honorable and learned member's correction.

Mr. DUGALD THOMSON.—The disparity to which the honorable member has referred is due largely to the impossibility of effecting a complete collection in the larger States, where the population is scattered.

Mr. SALMON.—I would point out to the honorable member that we have the same system of collection in Victoria that is in operation in New South Wales, and that it would be just as fair to assume that those making the enumeration in Victoria were remiss in their duty as it would be to make that assumption concerning those carrying out the work in New South Wales.

Mr. DUGALD THOMSON.—I have shown that the difference between the total population and the proportion of electors in Victoria was only 3 per cent., whereas in the case of New South Wales, it was 6 per cent.

Mr. SALMON.—That, after all, is a difference of only 3 per cent. The figures I have quoted are substantially correct, and have been issued, I understand, by the Department of Home Affairs.

Mr. DUGALD THOMSON.—I am not questioning them; I am simply referring to the causes of the difference.

Mr. SALMON.—I do not think that we are at present concerned with the causes of the difference. The fact stares us in the face that we are controlled and governed by figures compiled by officers acting under the same instructions. These are going to govern our representation in the future. They will not take into account causes; they will give us the actual facts. When we have a remarkable disparity, such as has been shown to exist between the figures compiled by the Statisticians and the census returns, we have reason to say that more consideration should be given to this matter. I feel sure that no honorable member representing New South Wales would feel justified in sitting in this House if he knew that he represented a considerably smaller number of electors than were represented by the members returned by other States. I urge that before any step is taken under this Bill, some provision should be made to give weight to the facts which I have stated, so that a procedure, which I feel sure must be distasteful to all, will not be carried out—I speak, not of a State not being entitled to another member, but of a State

being deprived of a member. In conclusion, just a word with regard to the compilation of these figures. Ten years is a very short term indeed in the life of a nation, and we should guard against the tremendous upheavals which, in a young country like this, where so large a proportion of the population moves from place to place, may occur with too frequent alterations of the representation of the States. We must remember that those who move from place to place still remain electors of the Commonwealth, and their interests are Commonwealth interests. We should not, therefore, alter the basis of representation unless we have indisputable evidence that the alteration is warranted.

Mr. KELLY.—Are not the statistics indisputable evidence?

Mr. SALMON.—Yes, and I ask for statistics. I agree with the honorable member that we should rely only on statistics. We should not be content with calculations.

Mr. McCAY.—What does the honorable member mean by "statistics"—an actual count?

Mr. SALMON.—An actual count.

Mr. McCAY.—The figures we have got are the result of an actual count, all except a small percentage.

Mr. SALMON.—I am surprised to hear the honorable and learned member say that. In the past there have been some glaring instances in which these so-called actual counts have been carried out in the most perfunctory and partial manner, with the intention of advancing one State before another. We have had estimates of the population of New South Wales which need only be compared with the actual census returns to cover the compilers with ridicule.

Mr. McCAY.—The New South Wales figures were only 12,000 out on a ten years' count.

Mr. SALMON.—On a year's count.

Mr. McCAY.—No; on a ten years' count—from 1891 to 1901.

Mr. SALMON.—I am sorry that I have not with me the figures which were compiled by Senator Styles, but I would commend them to the consideration of the honorable and learned member, who will find that they were most carefully compiled, and taken from reliable sources, and they contain no mistakes in addition. Those figures will make a very big fence for him to get over. If he is prepared to

accept the system of guesswork followed by the States for many years past, and call that an enumeration, I am not. The census enumeration is the only method which we should adopt. With regard to electoral representation, I know that that matter is not now under consideration; but, incidentally, I should like to say that it should be regulated as circumstances arise to make that necessary. With regard to the greater and larger question, the States representation should, in my opinion, not be altered at this time, because it depends on an entirely different system. Electoral representation depends on the collection of electoral rolls; but the representation of the States, if we adopt the system now proposed, will depend very largely on figures which are the result of guesswork, and not on figures which have been properly compiled. You cannot say that you have ascertained the facts, if you accept figures which have been guessed at. In order to ascertain that a thing exists, its existence must be proved, and the various changes in our population cannot be ascertained by accepting mere estimates. I recognise that it is of hardly any use to speak against a Government measure, but I feel certain that Parliament, by passing this Bill, will commit an act which it will have cause subsequently to regret. I feel that a mistake is being made, and that the tremendous interests at stake are being jeopardized to secure a very small gain to one particular State. I think, too, that the good feeling which we should endeavour to promote between the States will not be assisted by the events which must follow in the train of this measure. I should have very much preferred the Government to say that they were not prepared to accept the position laid down by their predecessors, and to take the estimates of population as ascertained information; but that they would propose a rearrangement of the electorates, and leave the representation of the States as it is until the end of the decennial period.

Mr. CONROY (Werriwa).—I am very glad that the Bill has been introduced, because it provides for representation on a fairer basis than we have at present. At the same time, I hold that all that was needed was to put into effect the provisions of the Electoral Act of 1902. Owing to a cause into which it is unnecessary for me to enter now, the representation of three of the States of the Commonwealth is based upon statistics compiled nine years

after the census of 1891 was taken, and since we were content to accept such figures for the first Federal Parliament, I think we need hardly quarrel with figures compiled only four years subsequent to the taking of a census, especially in view of the fact that the Statisticians of the States have met together, and agreed to make certain additions and corrections, which the figures of the census showed to be necessary. The error in our statistics under the former method of compilation amounted to less than  $\frac{1}{4}$  per cent., I believe, when compared with the census, and in future it will be still less. With regard to my statement that it would have been sufficient to put into effect the provisions of the Commonwealth Electoral Act, I would urge, in the first place, that we had certainly power to pass that Act. It provides that each State shall be distributed into electoral divisions, equal in number to the number of the members of the House of Representatives, each division to return a member. Commissioners were to be appointed for the purposes of this distribution—under the Bill, the Chief Electoral Officer is so appointed. Then a quota was laid down, as determined by the Constitution. The trouble from which we are at present suffering arose in connexion with the distribution of the States into divisions, because, unfortunately, it was left to Parliament to determine whether it would or would not accept the proposals of the Commissioners, and the Bill has a similar provision. Therefore, the interests of individual members were brought into conflict with their judgment, and the experience of last Parliament proved that when that happens, interest will generally prevail over judgment. The suggestions which were made in regard to the proposed redistribution of the three great States presented even greater difficulties than the distributions proposed by the Commissioners, showing clearly that, in refusing to accept the distributions of the Commissioners, honorable members were acting contrarily to their judgment, because their interests had been brought into play. The result has been that one State has been able to retain a representative to which it is not entitled, and another State has been deprived of a representative to which it is entitled, which is by far the greater evil. To my mind, the only need for bringing in a Bill of this kind is to declare certain statistics Commonwealth statistics. However, I shall not quarrel with the introduction

of the measure. I regret that it was not brought in long ago, or advantage taken of the Electoral Act, and, therefore, I shall give it my hearty support. I am not certain, however, that the period of ten years is too long to allow to elapse between the readjustment of the representation of the States. I would ask the Minister of Home Affairs to insert a clause providing that when States are distributed into divisions by the Electoral Commissioner appointed for that purpose, this Parliament shall not have the right to say whether his redistribution shall be accepted.

Mr. GROOM.—The honorable and learned member will have an opportunity of discussing that question when the Electoral Bill comes before us.

Mr. CONROY.—If some such provision is not made, we shall experience the same difficulty that was met with when the last distribution scheme was before us. On that occasion members' interests conflicted with their judgment to such an extent that, upon one pretext or another, the distributions proposed were rejected. I prophesied that that would be the result, and my forecast proved so accurate that I am almost justified in saying that, unless we provide proper safeguards in connexion with the present measure, it will probably fail to achieve the results expected, and we shall have again to go to the country upon the same conditions as previously. We shall not advance the cause of redistribution as thoroughly as we ought to do unless the Minister determines to make its provisions of an automatic character, by insuring that the Commissioner's decision should be final. The provision in the Electoral Act, that objections may be lodged against the distribution proposed by the Commissioner within thirty days of its publication, is quite sufficient.

Mr. CHANTER.—Suppose the Commissioner takes no notice of objections?

Mr. CONROY.—But he is bound to take some notice of them. It is highly undesirable that honorable members should be able to sit in judgment upon proposed alterations that may affect their seats. I shall support the Bill, in the hope that some provision will be made to guard against the difficulties which arose in connexion with the Electoral Act. If that course is not taken, some difficulty may crop up at the last minute which will prevent a redistribution of seats being made prior to the

next general election, and the work we are now doing will thus be entirely lost.

Mr. WILSON (Corangamite).—I think it is to be regretted that we are not able to redistribute the electoral divisions upon the basis of the decennial census. When we consider, however, the disparities that exist between the electorates, both in Victoria and other States, we must recognise the necessity for some change before the next election. It appears to me that we have no other recourse than to follow the provisions of the Constitution, and make a redistribution of seats according to the numbers of people in the various States. I am sorry that the State of Victoria has ceased to progress in the matter of population in the same ratio as have the other States. I must congratulate the representatives of New South Wales upon the fact that the population of that State has largely increased, and I should like to direct their attention to the fact that that increase has taken place during the operation of a protective Tariff.

Mr. SPEAKER.—I must ask the honorable member not to discuss that question.

Mr. WILSON.—We are dealing with the increase of population in some of the States, and I think that it is perfectly relevant to discuss the causes which have led to such increases.

Mr. SPEAKER.—It is perfectly in order for honorable members to refer to the relative increases or decreases which have taken place in the populations of the various States, but if honorable members were permitted to discuss the reasons for any such increases or decreases, it would be competent for them to debate the whole of the questions mentioned in section 51 of the Constitution.

Mr. WILSON.—I must bow to your ruling, Mr. Speaker, and content myself by saying that the fact I have stated is a most interesting one. I should like to direct the attention of the House to the fact already noted by the honorable and learned member for Corinella, that the Attorney-General, before he became a member of the Government, condemned the principles embodied in the measure, whereas it is to be assumed that he now accepts them in their entirety. I should like very much to follow the honorable and learned member for Northern Melbourne and the honorable and learned member for Angas, but I think that owing to the immediate necessity for a redistribution of seats we



cannot wait for the next decennial census. Therefore, I shall support the Bill.

Mr. SKENE (Grampians).—In connexion with this question, we have had a very striking proof of the fact that lawyers, like doctors, may differ. I confess that I have been in a very confused state of mind with regard to this question for some time past. Until recently I was disposed to follow those constitutional authorities who have taken up an attitude in opposition to the principles of the measure before us, but in view of the fact that the present Attorney-General has to a great extent backed down from the position he formerly took up—

Mr. HIGGINS.—He has not said so.

Mr. GROOM.—He declared that parliamentary action was necessary.

Mr. SKENE.—I assume that the Attorney-General is in accord with this Bill, which, so far as I can see, is upon exactly the same lines as the proposal made by the previous Government to which he objected.

Mr. HIGGINS.—The Attorney-General has not stated that he has changed his opinion.

Mr. SKENE.—If he has not changed his opinion, he has adopted a different attitude. Matters must have been pretty well muddled from the first if we have to be dependent for our statistical information entirely upon the decennial census returns. If the seats had been distributed in the first instance upon the basis of the census returns, I should have had no hesitation in continuing to rely upon them, but as they were distributed upon statistical returns such as it is now suggested shall be used, and as the disparities between the electorates are now so serious, I think we should proceed at once to remove the existing anomalies. One point strikes me with considerable force, namely, that whilst the population of Victoria is smaller than that of New South Wales, the number of voters in the mother State is proportionately less than in Victoria. However, I do not regard that as affording any ground for cavilling at the proposed redistribution of seats, as the Constitution lays it down distinctly that the distribution must be on a population basis, and not on the number of voters.

Mr. DUGALD THOMSON.—That is accounted for by the fact that in Victoria

there are 2 per cent. more persons over the age of twenty-one than in New South Wales.

Mr. SKENE.—In view of the fact that we adopted the latest statistics available to us for the purpose of distributing the seats in the first instance, we cannot reasonably object to adopt a similar course now. I cannot understand how the returns are worked out. According to the evidence given before the Old-Age Pensions Commission there is in Victoria a much greater number of persons between the ages of sixty and sixty-five than in New South Wales. Why that should be so I do not know, but that seems to me to throw some doubt upon the accuracy of our statistical information.

Mr. DUGALD THOMSON.—Those figures are taken from the census.

Mr. SKENE.—I fancy they are; but, nevertheless, the results appear to me to work out very curiously. In view of the fact that New South Wales is an older State, one would imagine that within it there would be a larger proportion of persons between the ages of sixty and sixty-five.

Mr. DUGALD THOMSON.—But the influx of population into New South Wales consists of younger people.

Mr. SKENE.—This is not a matter of percentage. It is a mere question of whether there are more people between sixty and sixty-five years of age in New South Wales than there are in Victoria. The figures which have been placed before the Old-Age Pensions Commission certainly show that there are more in the latter State. I should be very glad indeed if I could see my way to prevent the loss of a representative to Victoria. In that respect I occupy a similar position to the honorable and learned member for Corinella. Seeing, however, that there is such a large discrepancy between our own electorates—that some of those electorates contain double the number of voters to be found in others—there is certain reason for a redistribution of seats, and therefore I feel that I must vote with the Government upon this Bill.

Mr. SALMON.—This is not a Bill to effect a redistribution of seats.

Mr. SKENE.—Practically it is.

Mr. KELLY.—It is a Bill to decide the redistribution in each State.

Mr. SKENE.—That is what is at the bottom of the measure.

Mr. GROOM.—There must be a redistribution of seats before the next general election.

Mr. SKENE.—I quite realize that that is so.

Mr. SALMON.—If this Bill were not carried it would still be possible to effect a redistribution of seats.

Mr. McCAY.—The first information which the Government would have to give its Commissioner would be with reference to the number of seats.

Mr. SKENE.—Seeing that upon a former occasion the representation of the States was determined upon the basis of the statistical returns, it is only right that the proposed redistribution should be based upon the latest similar returns.

Mr. HIGGINS.—As between the States we must have resort to the latest statistics.

Mr. SKENE.—There are later statistics than those upon which the original distribution of seats was based. Upon a former occasion I objected very strongly to any redistribution, because of the abnormal condition of things which had obtained consequent upon the drought. I honestly believed that a great many people left the country districts and crowded into the towns, and therefore I opposed the scheme submitted by a previous Government. That position of affairs, however, is now past. People have returned to their homes, and matters have resumed their normal condition. The objection which I then raised cannot be honestly urged now. In spite of an inclination to lean a little towards my own State, I feel that the figures are against me, and that consequently I must vote in favour of the Bill.

Mr. KENNEDY (Moirā).—It is not my intention to speak at length upon this measure. It is generally admitted that, prior to the first general election for this Parliament, we had not accurate figures as to the population of the various States. That position, to my mind, is about to be accentuated by the deliberate act of this House. Instead of obtaining reliable statistics of population, we are about to resort to mere estimates. What was condemned as an improper act on the part of the late Government is now about to be regarded as a very proper act. I contend that if it was wrong for the late Government to propose the redistribution of seats upon mere estimates, it is equally wrong for the present Ministry to do so. The last census returns compiled by the States showed that the estimates upon which the

first Commonwealth Parliament was elected were to some extent inaccurate. The same condition of affairs obtains to-day. Surely in laying down a new procedure it is desirable that we should have a reliable basis! I do not feel disposed to vote against the Bill, knowing that it is absolutely necessary that we should provide some machinery to meet the exigencies of the present situation. I do not find fault with those who say that, under the operation of the measure, it is probable that Victoria will lose a representative in this House. If the figures show that she is not entitled to that representative, I shall offer no objection. If, on the contrary, New South Wales is entitled to an additional representative, I say that her right should not be denied to her. Before proceeding, however, to redistribute the seats, I claim that we should have the most reliable data upon which to act. In Committee, I shall make a determined effort to incorporate that mode of procedure in the Bill.

Mr. JOSEPH COOK (Parramatta).—I only wish to say a few words, and those not in derogation of the Bill, which I hope to see passed as speedily as possible. I quite agree with the honorable member for Moira, that this measure affords the most complete justification of the action taken by the late Government. Now that the present Ministry are taking precisely the same course as that adopted by their predecessors—now that they are crystallizing into a statute what the Reid-McLean Government did by Executive act, there is no ground for complaint, although the Bill does not take us very much further forward in regard to the work of redistributing the electorates. In itself, the measure seems to me to be incomplete. I should have liked to see the Government carry the matter further, or else incorporate the provisions of this Bill in a section of the Electoral Act, and place it upon the statute-book as such. The measure does not in reality declare that there shall be a redistribution of seats, that the electorates shall be recast, so as to more accurately represent the basis of our democracy—namely, the adult vote of the Commonwealth. It merely provides for the enumeration of the voting power of the Commonwealth, and leaves the matter there. When the Commonwealth officer has furnished his certificate, and the matter has received the approval of the Executive, and been published in the *Commonwealth*

*Gazette*, there it ends. Unless the House or the Government take the initiative, this Bill will be valueless, so far as any practical purpose is concerned. I understood the Minister of Home Affairs to say that he intends to introduce another Bill, which contemplates action in the way of giving effect to what is achieved by this Bill. That is all I am concerned about. I trust that the Government will make it clear that they intend to lose no more time in dallying with this great subject of the redistribution of the electoral power of the Commonwealth. It is high time that that work was carried out. We have been here for five years, working upon a basis which is unsatisfactory from every point of view.

Sir JOHN FORREST.—That remark does not apply to every State.

Mr. JOSEPH COOK.—It applies to every State, with the exception of Western Australia, where these anomalies have been rectified. I hope that this Bill represents only a prelude to action, which will take us to the completion of the matter, and without which all our legislative arrangements will be vitiated by reason of the continued unequal distribution of the electoral power of the Commonwealth. There are one or two points connected with this measure to which attention may profitably be given in Committee, and, therefore, I do not intend to deal with them now. I am glad that the Government are taking steps in the direction indicated by the Bill, and I am pleased to have heard from honorable members upon both sides of the Chamber a complete justification of the action taken by the late Government, which provoked so much momentary adverse criticism from some honorable members, who now appear to favour these proposals, and who seem to be quite docile in regard to a matter profoundly affecting their own State.

Mr. KENNEDY.—It was merely this, and nothing more, with the last Government.

Mr. JOSEPH COOK.—The late Government proposed to submit the whole scheme definitely to the House. As the honorable member has mentioned that point, I confess that I fail to see any necessity for this Bill. The question could be just as effectively discussed if it were embodied in a scheme for redistributing the electoral power of the Commonwealth as it can be when it is dealt with in a separate measure. We are only doing sectionally and piecemeal what the late Government proposed to do completely. I submit that the pro-

posals of the Reid-McLean Administration were very much in advance of those contained in this Bill. Indeed, without some such proposal as was made by the late Administration to bring about a redistribution scheme, this measure would represent so much waste paper. It is strange that the Bill should proceed from a Government, some of whose members bitterly denounced the former proposal. However, it does not matter to me where proposals originate, so long as they are in accord with the opinion of the House, that as soon as possible a revolution should be made in our electoral system, which now drags so heavily on the Commonwealth, and which, so far, has done nothing but vitiate our legislation.

Mr. ROBINSON (Wannon).—When the late Government, through the press, announced their intention to submit a Redistribution of Seats Bill, I was very much opposed to their proposal. I followed with some interest the opinions expressed in the newspapers by the honorable and learned member for Northern Melbourne, the present Attorney-General, and Mr. Irvine, M.L.A. I must say, however, that the most convincing and elaborate argument which has been adduced by the honorable and learned member for Corinella, has effected a great change in my views. I feel that, although the loss of a representative to Victoria is a very serious one, Victorians would not be justified in opposing this measure upon that ground alone. It must not be forgotten that the present electorates in Victoria and New South Wales were, to a very large extent, formed as the result of mere guesswork. It was never anticipated by the Parliaments of those States, which defined the electorates, that the Commonwealth Legislature would continue to maintain them for any length of time. For instance, the constituency which I represent was created by combining three or four State electorates, and by restricting the boundaries of the Commonwealth electorate to those of the State, irrespective of any alteration in the franchise which this Parliament might adopt. The Federal Parliament has adopted a totally different franchise, and that means that the number of electors in the different constituencies varies much more than is contemplated by the Federal Electoral Act. That being so, it is only a question of time when the Federal Parliament must rearrange the constituencies in each State.

When we do that we shall have to inquire into the question of the total representation of that State, as compared with that of the others. We come now to the basis on which the representation of the States should be calculated. I have listened with interest to the remarks made by the honorable and learned member for Northern Melbourne, and, so far as I followed him—I trust that I am not doing him an injustice—he appeared to be of opinion that the words “the latest statistics,” in the section of the Constitution governing this matter, must refer to a census enumeration.

Mr. HIGGINS.—Not necessarily; but our principal mode of obtaining statistics is by way of the census. So far as the Commonwealth is concerned, I think that the latest statistics available are those of 1901.

Mr. ROBINSON.—That is a matter upon which different opinions are held, and the honorable and learned member for Corinella has already explained to the House the reason why he differs from the honorable and learned member in this respect. It seems to me that there is one aspect of the question which is of some importance, and which relates to the fact that the new expenditure of the Commonwealth is distributed upon a *per capita* basis. It is rather incongruous that we should distribute the new expenditure upon a *per capita* basis, according to certain figures, and yet rearrange our representation upon a totally different set of statistics. If we adopt the latest returns in the one case we ought to do so in the other. It must be admitted that there is a certain amount of guesswork in the matter of the Statisticians' returns; but the more experience these officers gain the less will be their liability to make errors in their calculations. The census of 1901 enabled them to recast their methods of checking errors, and I have no doubt that the possibility of mistakes has been very considerably reduced. It must not be forgotten, however, that even the census cannot give us accuracy, and that there must be, comparatively speaking, a large number of persons who are omitted from the returns. We cannot, under any method, obtain mathematical accuracy, and it seems to me that although the basis of the calculation which is to be followed in this case is injurious to Victoria, it is one to which we cannot object. I was, at first, very much opposed to it, but after hearing the arguments that have been advanced in

favour of it, and having regard to the fact that the first Parliament practically indorsed a proposal by a totally different Government to adopt the same method of procedure, I feel it my duty not to oppose the second reading of the Bill.

Mr. ISAACS (Indi—Attorney-General).—As my name has been mentioned during the debate, I should like to say a word or two before the question is put. It is not correct that I have changed my opinion, in the slightest degree, in regard to this matter. The first objection I had to the course proposed by the late Government was that it was intended to deal with this question by Executive act. Now, I consider that any step taken towards altering the representation of a country by Executive act is inherently wrong.

Mr. DUGALD THOMSON.—The honorable and learned gentleman did not object to the Barton Administration adopting that course.

Mr. ISAACS.—That was not an attempt to alter the representation of the country; it was an internal division of the representation of each State, which is a totally different matter.

Mr. MCCAY.—No, it was for this very purpose.

Mr. ISAACS.—I am perfectly clear on the point.

Mr. HIGGINS.—The honorable and learned gentleman is quite right.

Mr. MCCAY.—By a fluke it did not make any alteration.

Mr. ISAACS.—I am quite certain that I am perfectly correct. There is a vast difference between the two proposals. I should like to say, however, that whether it was, or was not, done then, it is, in my opinion, an inherently wrong course to adopt. No Ministry should have it in its power, at its own will, to alter, or to commence to alter, or to prevent an alteration of, any due representation of the country.

Mr. DUGALD THOMSON.—The late Government did not have that power, because Parliament would have had to sanction their proposal before it could be put into effect.

Mr. ISAACS.—I should like to point out to the honorable member, if he will permit me to do so, why my statement is correct.

Mr. DUGALD THOMSON.—But Parliament would have had an opportunity to reject the proposal.

Mr. ISAACS.—If the Reid-McLean Administration had thought that the estimate showed that New South Wales would lose a member, they might—I do not say that they would, but they might—have refrained from making any proposal for an alteration—

Mr. DUGALD THOMSON.—That is a very improper suggestion to make.

Mr. ISAACS.—Will the honorable member allow me to complete the sentence? I am merely citing a supposititious case as an illustration of my point, and am not seeking to apply it to any particular Government. If it be left to a Ministry to say that they may bring forward such proposals when they like, and if they like, then, although they cannot carry them without the assent of Parliament, they can refuse to give the Parliament an opportunity to carry them.

Mr. McCAY.—And that was what the late Government was asked to do.

Mr. ISAACS.—I am not commenting on the act of an individual Government; I am speaking only of the principle, and say that such a power as this should not be given to any Executive. The great principle of the Bill lies in the fact that it takes it out of the power of any Government to deal with this question; that it places the whole matter in the hands of the Parliament itself, and of officers of the Government, who have no political feeling whatever.

Mr. JOSEPH COOK.—The Government may still ignore this enumeration.

Mr. ISAACS.—Under the Bill they cannot do so.

Mr. JOSEPH COOK.—They might, for anything the Bill contains.

Mr. ISAACS.—The honorable member is under a misapprehension, and I would advise him to read the Bill. The point, however, is one to be dealt with in Committee.

Mr. JOSEPH COOK.—Will the honorable and learned gentleman show me anything in the Bill that would prevent the Government from ignoring the enumeration?

Mr. ISAACS.—I shall be prepared to do so when we go into Committee. With regard to the question of enumeration, I say distinctly that the scheme adopted in the Bill is no mere guesswork and no mere estimate. If the other view be taken, and it is said that we are to be guided only by the census, I must reply that, in my opinion, such a contention is not warranted by the Constitution. I quite agree with

the honorable and learned member for Corinella when he says that a clear distinction is drawn between the words "census" and "statistics"; but I think that a little consideration will show that, if we provided in the Bill that there should be a redistribution as between the States only after a census, it might lead to a very great wrong being done.

Mr. HIGGINS.—I do not think any one urges that we should go as far as that.

Mr. ISAACS.—Let me point out why I think some such scheme as that which we have adopted is inevitable. Recollecting that the Parliament is elected for three years, let us imagine what would be the position if a Parliament were elected, and lived its full life, and two succeeding Parliaments lived their full lives, or nine years in all. Then let us suppose that the succeeding Parliament, in the first year of its existence, found that a census had been taken. In that event surely we would not dissolve the Parliament immediately; we should not say, "We want a new Parliament, because a new census has been taken." If we did not do so—if we allowed that Parliament to live its full life, and in the meantime a great change of population took place, say, in Western Australia—

Mr. WILKS. — Or was caused by a drought.

Mr. ISAACS.—Quite so. In those circumstances, surely we should not adhere to the bare figures of the census that were published in the first year of the life of that Parliament. We are to take the last census, and also not what A or B says are, or what any Ministry chooses to pass by way of regulation and call, "Commonwealth statistics," but what Parliament declares to be "Commonwealth statistics."

Mr. McCAY. — Has the honorable and learned gentleman ever heard of the difference between tweedledum and tweedledee?

Mr. ISAACS.—It is the difference between legality and illegality—the difference between Parliament exercising its powers and not doing so.

Mr. JOSEPH COOK.—The difference between responsible government and irresponsible government.

Mr. ISAACS.—The difference between a Government obeying the law and not doing so. The Parliament has it in its power to say what shall be deemed statistics and what shall not be so regarded. It

is not in the power of a Government to determine that matter. When the Constitution gives Parliament certain powers, it does not say that those powers shall be exercised at the will of the Executive. Therefore we say that, inasmuch as we could never allow the Parliament to be elected on the bare figures of a census—which might be declared, perhaps, for all we might know, a week after it was elected—and not take into consideration the great changes which might take place within the next three years, there is no other course open to us than that of coming down to Parliament with these proposals, leaving the Parliament to say what shall be declared statistics.

Mr. DUGALD THOMSON. — To legalize guesses.

Mr. ISAACS.—No.

Mr. McCAY.—Hazy, indefinite guesses.

Mr. ISAACS.—Certainly not. I say that this calculation—

Mr. McCAY. — The honorable and learned gentleman spoke of the calculation now adopted as a "hazy, indefinite guess."

Mr. ISAACS.—I am quite sure that my honorable and learned friend will admit that, when the Reid-McLean Government declared their proposal, the country had no means whatever to ascertain how these figures were arrived at.

Mr. LONSDALE.—The position was exactly the same as it is now.

Mr. ISAACS.—I am sorry that my honorable friends are becoming uncomfortable.

Mr. McCAY.—The honorable and learned gentleman knows now that the figures were ascertained in a certain way.

Mr. ISAACS.—I accept my honorable and learned friend's word. But that does not take us away from the position that the course proposed by the late Government was absolutely unwarranted, because the Constitution does not place it in the hands of any seven or eight members sitting round the Council table to declare what shall be the law for this country. If the Parliament chooses to say that statistics shall be gathered in a certain way—it may or may not be by enumeration—we may thus secure the statistics of the Commonwealth. We accept statistics relating, for example, to grain, but we do not count the grains in or weigh every bushel. There is a great distinction between a "cen-

sus" and "statistics," and consequently when two different words are used in the Constitution, it remains for the Parliament to say what, in its opinion, shall be declared, by way of legislation, to be the statistics of the Commonwealth. When the Parliament has declared what shall be regarded as Commonwealth statistics, the words of the Constitution are satisfied. If honorable members can find a more accurate way of arriving at the population of the Commonwealth, I shall be very glad to hear of it; and if any State which fears that its representation may be affected chooses to declare its own census—because under this Bill provision is made for the census of any State being taken, pending the taking of a Commonwealth census—I shall also be very pleased. I have only to say, in conclusion, that I have not changed my views. On the contrary, I have expressed the opinion before, and express it again, that it is necessary to arrive at the population on a legal basis, as provided by the Constitution, and the Government has taken that course.

Question resolved in the affirmative.

Bill read a second time.

*In Committee:*

Clause 1 agreed to.

Clause 2—

For the purpose of determining the number of members of the House of Representatives to be chosen from time to time in the several States, the Chief Electoral Officer of the Commonwealth shall, at the times and in the manner prescribed by this Act, ascertain the numbers of the people of the Commonwealth, and the numbers of the people of the several States.

Mr. HIGGINS (Northern Melbourne). —I did not like to take the extreme step of calling for a division against the second reading of the Bill, but the Prime Minister has agreed that this clause affords a convenient opportunity to test the question whether the Committee approves of the substitution of the certificate of the Chief Electoral Officer of the Commonwealth as to the numbers of the people for the statistics provided for in this case by the Constitution. I need hardly say that no argument was adduced during the second-reading debate in justification of the position that the certificate of the Chief Electoral Officer should be the same thing as the "latest statistics of the Commonwealth." Clause 2, and so much of the Bill as is consequent upon, or incidental to it, must be void if it is in contradiction of the Constitution, no matter what honorable members may think,

or how they may vote, although, as it is hard to conceive how any Court can come to deal with the question, it is improbable that it will ever be tested. There was evident, however, during the second-reading debate, a good deal of misunderstanding in regard to the purpose of the Bill. For instance, the honorable member for Grampians seemed to think that in voting for it he was voting for the redistribution of the Victorian electorates. Of course, it is clear, from clause 10, that if the Bill be carried into law, it will have to be followed by a measure for the redistribution of the electorates of the States.

Mr. GROOM.—All that will be necessary will be a proclamation under the Electoral Act.

Mr. HIGGINS.—Assuming that the number of members to be chosen in each State is fixed at twenty-two for Victoria, there will have to be a redistribution of electorates in this State.

Sir JOHN FORREST.—The Electoral Act will cover that.

Mr. HIGGINS.—Yes; but my point is that we are not now making provision for the redistribution of the electorates of any State. This is a Bill "relating to the representation of the several States of the House of Representatives," and clause 2 provides for an inquiry as to the population of the several States—

for the purpose of determining the number of members of the House of Representatives to be chosen from time to time in the several States.

I adhere still more strongly now than I did originally to the position which I took up when first I understood the scheme now proposed to take the certificate of the Chief Electoral Officer as the latest statistics. It may be difficult to say what would be the latest statistics, and indeed all sorts of difficulties might be raised, but I am confident that the certificate of the Chief Electoral Officer is not the latest statistics.

Mr. BAMFORD.—The latest available statistics.

Mr. HIGGINS.—The words of the Constitution are "the latest statistics." Of course they must be available. The language of clause 9 is taken almost word for word from section 24 of the Constitution, but paragraphs *a* and *b* contain a very significant change of words. Paragraph *a* says that—

A quota shall be ascertained by dividing the number of people of the Commonwealth, as shown by the certificate (for the time being in

force) of the Chief Electoral Officer, by twice the number of senators,

while the Constitution says that a quota shall be ascertained by dividing the number of people of the Commonwealth "as shown by the latest statistics." The words in paragraph *b* are the same as those in the Constitution, except for a similar substitution. Therefore an attempt is being made to amend the Constitution by a mere Act of Parliament. I warned honorable members in connexion with the Judiciary Bill that they were going wrong, and it has been determined by the Court that they did go wrong, and, so far as one can, without presumption, speak confidently on a matter of this sort, I say that this provision is absolutely void. In my opinion, the correct course, since there has been no enumeration since the census of 1901, is to act on the basis of that census, though I am strongly of opinion that we should have an enumeration or census as often as we can consistently with the keeping down of expense, and I am glad that the Government proposes to take a census at least once in every five years. Another point I would suggest for consideration is this: There is no Commonwealth collection of statistics, and, although the Statisticians of the States are at present in agreement, it does not follow that they will always be so. It might happen that there would be differences between the figures of the Statist of New South Wales and those of the Statist of Victoria or Queensland, so that one would criticise the returns of another, and we should have no solid basis of certainty to act on. Where, then, should we find the "latest statistics?" I do not wish to argue the question at length, since it was discussed very fully on the second reading, but I am anxious, and so I understand are several others, to enter a decided protest against the proposal, by voting against this clause. That, I think, is a better course to adopt than to seek to insert an elaborate amendment. Of course, we must be beaten, because when a Government adopts the proposals of its predecessors it is bound to win. This Government has chosen that path as the way of least resistance, and I have no doubt will carry its proposals into effect. But some of us would like to be allowed to enter as emphatic a protest as we can make against what we regard as a mistake. The question whether Victoria will, or will not, lose a member is not of importance, but I do not wish to be a party to what

I regard as an illegal and unconstitutional act which is being proposed in defiance of opinions expressed by Ministers themselves.

Mr. GROOM (Darling Downs—Minister of Home Affairs).—I understand that the honorable and learned member for Northern Melbourne objects to our proposals on the ground that to say that the certificate of the Chief Electoral Officer as to the number of the people of the Commonwealth and of the several States, made as provided by the Bill, shall be regarded as the latest statistics, is to provide something contrary to the principles of the Constitution, and therefore void. With all respect, I must differ from him on that point. In the first place, Parliament was empowered by paragraph xi. of section 51 of the Constitution to legislate with respect to census and statistics, that is, we possess an inherent power to declare what are and what are not statistics, or, rather, to provide how our statistics shall be ascertained, collected, gathered, or compiled.

Mr. HIGGINS.—Have we power to declare that a horse is a sheep?

Mr. GROOM.—We have power to adopt statistics which have been collected by the States, and to declare that for our purposes they shall be the statistics of the Commonwealth.

Mr. HIGGINS.—I wish the Government to take the statistics which were compiled at the last census.

Mr. GROOM.—That is being done.

Mr. HIGGINS.—But the Bill goes further.

Mr. GROOM.—Our starting point is an enumeration of the people which took place in 1901, and to gain the latest statistics on enumeration day, we give authority to the Statisticians of the States to send in returns showing births and deaths. These returns are statistical returns. Further than that, Parliament says that an account shall be taken of the arrivals and departures by land and sea. These are recorded facts, and when the returns are made up they constitute statistics.

Mr. HIGGINS.—But suppose a man crossed the border in a private vehicle?

Mr. GROOM.—In every statistical department certain allowances are made for possibilities of error, and by the law of averages, these errors are brought down to an irreducible minimum. Even in the case of an enumeration, there are omissions. Therefore, I do not think that this proposal can be regarded as unconstitutional.

Mr. HIGGINS.—But I say that it is unconstitutional.

Mr. GROOM.—It cannot be urged that the whole of it is unconstitutional. The honorable and learned member will admit that the census is constitutional, and that the returns relating to the registration of births and deaths would be statistical.

Mr. HIGGINS.—Not for the purposes of the Constitution.

Mr. GROOM.—I submit that if we adopt the latest statistical information we can obtain—

Mr. HIGGINS.—It must be the latest statistical information obtainable for the Commonwealth, as a whole.

Mr. GROOM.—With all due respect to my honorable and learned friend, I submit that we are exercising power we undoubtedly possess, to declare that certain State returns, which are furnished in accordance with certain prescribed methods, shall be regarded as Commonwealth statistics for any purpose we may deem fit. I join issue with the honorable and learned member when he says that we are endeavouring to avoid friction. We are endeavouring to work out a fair and equitable principle for the period between each census. In the first place, we say that the decennial period is too long, and that it is necessary to split up that interval. We are adopting the census as a guide whenever it is available to us, but in the intervals we propose to rely upon the statistics collected by the methods prescribed by the Bill. We contend that it would be too costly to have a census taken every fifth year, at a cost of £117,000, or upwards. I think that we should keep ourselves as much as possible in touch with the distribution of people throughout the Commonwealth, and insure their proper representation.

Mr. WEBSTER.—In ten years hence, New South Wales will probably be entitled to five more representatives.

Mr. GROOM.—Then they should be granted to her. The position which New South Wales now occupies may be filled by Victoria or Queensland on the occasion of some future redistribution. No one can tell how far the population of Victoria may be increased, if certain irrigation schemes are carried out, and land now regarded as useless is brought under cultivation. I submit that we are not attempting to avoid friction, or to win support, but are endeavouring to lay down fixed principles upon which the redistribution shall take place.



Mr. HIGGINS.—I think the Government felt themselves bound by the promise that there would be a redistribution.

Mr. GROOM.—We felt bound by the provision in the Constitution that, whenever necessary, there shall be a determination of the proportion of the representatives of the States. We also felt bound to lay down certain definite lines upon which such proportion should be determined, and when. There is nothing specific in the Constitution to define when a redistribution shall or shall not be necessary; the only inference is that, as soon as the returns obtained from various sources show that the representation is not proportionate, action shall be taken. The Constitution does not specify that action shall be taken at any fixed period, but we desire to lay down rules which will put an end to all uncertainty on that subject. There is nothing in the Constitution as to the period at which the redistribution shall take place, but we are told that we should rely, for the purposes of our calculation, on the latest statistics of the Commonwealth. It appears to me that the honorable and learned member for Northern Melbourne has taken a very narrow view of the construction to be placed upon the words "latest statistics."

Mr. HIGGINS.—I say that they must be statistics and not estimates.

Mr. GROOM.—I admit that there may be a dispute as to what constitute statistics, but our desire is to place the matter beyond all dispute.

Mr. HIGGINS.—But I contend that that cannot be done.

Mr. GROOM.—I claim that we are exercising the undoubted power of the Commonwealth Parliament to lay down rules.

Mr. HIGGINS.—The wording of the Constitution cannot be altered.

Mr. GROOM.—Section 24 provides—

The number of members chosen in the several States shall be in proportion to the respective numbers of their people, and shall, until the Parliament otherwise provides, be determined whenever necessary—

in a certain manner. Parliament is now being asked under the authority of this section to "provide" that the population of the States shall be ascertained at one period from the census and at another period by the methods prescribed in the Bill.

Mr. HIGGINS.—But Parliament cannot alter the meaning of the word "statistics."

Mr. GROOM.—We are not attempting to do so, but we are recognising the statistics of the various States, and are making them Commonwealth statistics for the purpose of determining the representation of the people.

Mr. McCAY (Corinella).—If I rightly understand the honorable and learned member for Northern Melbourne, he takes up the position that no alteration should be made in the representation of the States unless the latest statistics of the Commonwealth show that it ought to take place. He contends, further, that the latest statistics referred to must take the form of a systematic enumeration of the people of the Commonwealth. Do I understand the honorable and learned member to mean that there must be an enumeration of the whole of the people?

Mr. HIGGINS.—Yes.

Mr. McCAY.—Then I would put this position to him. If it is ascertained by counting that there are 100 persons in a room, and tellers are placed at the various entrances or exits to count those going in and out, and it is afterwards found that twenty people enter the room and ten leave the room, would the honorable and learned member regard as statistics the net total of 110 persons arrived at by a process of addition and subtraction?

Mr. HIGGINS.—They would not be statistics within the meaning of the Constitution.

Mr. McCAY.—I understand the honorable and learned member to say that the 110 people must be counted over again in order to produce statistics which would be recognised within the meaning of the Constitution.

Mr. HIGGINS.—All I say is that the returns which are to be relied upon under the Bill are not statistics. I am not bound to say what would be statistics.

Mr. McCAY.—I will put another case. In 1901, we counted the people actually in Australia, and stationed tellers at all our entrances and exits to count all the people coming in and going out. We have also kept a record of births and deaths, and by a process of addition and subtraction we have arrived at a computation as to our present population. It seems to me that the results are statistics within the fullest meaning of the term. Further, it seems to me that the position taken up by the honorable and learned member is that if the Bill made no allowances for error, the

calculations referred to would be statistics, but because it does make allowances for error, and thus brings about a closer approach to accuracy, the returns proposed to be used are not statistics. In other words, the honorable and learned member says that because the figures may be wrong they are not statistics. But I venture to say that they are statistics, even though they may be wrong. Our experience has shown that there are actual exits and entrances for which no provision has been made, and I prefer figures which are subject to certain allowances for unrecorded arrivals and departures, rather than figures which are compiled upon arbitrary lines. I think that the Minister placed himself upon the horns of a dilemma, because he said in the first place that the number of persons to be chosen should be in proportion to the respective numbers of the people, and at the same time he implied that the moment any change of population occurred we must arrange for a change of representation accordingly.

Mr. GROOM.—I said that a strict construction of the words "whenever necessary" might lead to that conclusion.

Mr. McCAY.—Then the Minister said that as it would be only fair to alter the representation as the population changed, he would refrain from ascertaining whether there was any alteration in the population except at fixed periods. In effect, he says that we should refrain from obtaining knowledge upon that point except at certain dates, and yet we know that the same means of knowledge are available every quarter in the Statisticians' returns. This Bill declares that the number of the representatives of the different States shall change in proportion to the population, but that we shall refrain from ascertaining what changes have taken place in that population except at fixed dates. That is so necessary a working rule that I do not intend to quarrel with it, although I still entertain doubts as to whether it is constitutional. If we deliberately refrain from knowledge, except at the five or ten-year periods, we are omitting to add up when changes have taken place so as to ascertain the nature of those changes. I now come to the question of what is the meaning of the words "whenever necessary." The honorable and learned member for Angas said, in effect, that they are meaningless—that they mean that the number of members in this House shall be de-

termined whenever it is necessary to determine them.

Mr. GLYNN.—They mean that whenever we know that a thing is so, we must take steps to find out that it is so.

Mr. McCAY.—If that is the interpretation of the words, certainly they are meaningless. But I have always understood that the Courts do not construe an Act of Parliament so as to render it meaningless, if they can avoid doing so. With every respect, I submit that those words mean that the number of members shall be determined whenever the changes in our population alter the proportion so as to make it necessary to effect an alteration. I think that the words "whenever necessary" refer to the change in population which will cause a change in representation, if the arithmetical ratio is to be preserved. But the words "until the Parliament otherwise provides" precede the words "be determined whenever necessary." To my mind the words "until the Parliament otherwise provides" govern the method of determination to be provided, either with or without the words "whenever necessary." Consequently, Parliament can substitute for the latest statistics of the Commonwealth, figures ascertained in any manner that it may prescribe. That, however, does not get rid of the obligation on the part of the Parliament to alter the number of members as the number of the population alters, because the power of Parliament is limited to a certain arithmetical calculation. I claim that the words "the number of members chosen in the several States shall be in proportion to the respective numbers of their people" are imperative, and are subject to no parliamentary alteration whatever. Parliament cannot declare by legislation that it is not necessary to alter the number of members, when it is necessary under the earlier words of the section. However, I have raised the point; the difficulty is here, and has to be met. I do not see the necessity for providing for a five years' enumeration. I think that an enumeration every ten years would be sufficient. I repeat that the words "until the Parliament otherwise provides" control sub-clauses 1 and 2, and therefore the words "the latest statistics of the Commonwealth." I think that the figures to which reference has been made are statistics in every reasonable sense of the term. Indeed, everything except the allowances for unrecorded

arrivals and departures are statistics, and those matters have been tacked on in order to bring the statistics which may be wrong more in accordance with the actual facts. The small extent to which they proved to be wrong upon a previous occasion justifies us in assuming that the results arrived at under the proposals of the Government will be pretty nearly correct.

Mr. HIGGINS.—Because there is only a small difference between the figures and “statistics,” therefore they are statistics.

Mr. McCAY.—No. We are merely accepting something which is nearer to the true facts than is the actual count itself. My doubt all along has been as to the words in the clause which are not controlled by the words, “until the Parliament otherwise provides.” I do not think that our action is likely to be challenged, and if I were arguing the matter before the High Court, I should be strongly tempted to urge that that tribunal must strain the language of the Constitution, because of the extreme inconvenience which would result from a literal interpretation of it.

Mr. HIGGINS.—We ask for no straining at all.

Mr. McCAY.—I fear that this Bill is unconstitutional upon one ground, and I say that in order to defend the measure we have to strain the Constitution. Consequently, I think that the proposal is one which we ought to risk in the interests of the convenience of government.

Mr. GLYNN (Angas).—I fail to see that the objection taken to this Bill by the honorable and learned member for Northern Melbourne is well-founded. It is true that the certificate of the Electoral Officer is to be evidence, but it is only to be evidence of what the enumeration discloses. The Bill prescribes how the enumeration shall be made, and it only makes it evidence for the purposes of revision. I quite agree that what was intended was that there should be a Commonwealth enumeration of the population. In other words, instead of relying upon the statistics of the States by adopting them in an Act of Parliament, it was intended that we should specifically enumerate the population of the Commonwealth for the purpose of ascertaining the representation to which the States were entitled. At the same time, we have the power to adopt the statistics of the States, if we choose to do so. That is what the Government propose to do, and what I conceive is bad policy. I think

that we should follow the American example, by having a Commonwealth enumeration, for the purpose of ascertaining the true share of representation to which the various States are entitled. To continue the present method indefinitely is certainly objectionable. That, however, is what the Bill does. A specific enumeration by the Commonwealth would not involve us in any extra expense. We are now asked to pass a Bill dealing with census returns and statistics. We can prescribe in this measure that a census shall be taken for the Commonwealth every ten years. The Bill proposes to adopt the statistics of the States which may or may not be correct, instead of relying upon the enumeration which, according to the spirit of the Constitution, we ought to make. Section 24 of the Constitution is undoubtedly very loosely drafted. Under it we could, if we so chose, abolish the quota system. That system was simply an experiment. It was Mr. Justice O'Connor who was responsible for the suggestion. He pressed it on the Convention, and pointed out that under the words, “until the Parliament otherwise provides,” if it were found that the quota system did not work well, it could be abolished. Hence, after declaring that the basis of representation should be the population, we made provision for varying the method of ascertaining the number of members that should represent each State. We provided that each State should have representation on the basis of its population, but how were we to ascertain when that representation was to be varied? It was because of this difficulty that it was provided that the Parliament might abolish the quota system, and that, further, we might declare that the statistics to be relied upon should not be the latest statistics of the Commonwealth. At present the prescription is that the latest statistics of the Commonwealth must be taken. There is nothing, however, to prevent us from declaring that those adopted for this purpose shall not be the latest. We might declare that the earlier statistics of the Commonwealth were those which truly defined the basis of representation. That would be an absurd position to take up, but it would be open to us under the section as it stands. I therefore consider that, although it would be better, if we could afford it, to take a particular enumeration of the people for the purposes of the first distribution, it will be quite competent for us to declare that

the statistics already collected by the States are sufficient for the purpose.

Mr. GROOM (Darling Downs—Minister of Home Affairs).—The honorable and learned member for Northern Melbourne and several other honorable members desire to challenge the principle as to the taking of an enumeration during the period intervening between the census which is prescribed in the Bill.

Mr. HIGGINS.—The Prime Minister promised that the division on this clause should be taken as a test.

Mr. GROOM.—It is to be taken as a test as to the principle of departing from the census. That is the only issue.

Mr. HIGGINS (Northern Melbourne).—I had a conversation with the Prime Minister, who was good enough to say that the most convenient method to decide the question whether the Committee regarded the estimates of the Statisticians as being the "latest statistics" within the meaning of the Constitution would be by dividing on clause 2. I admit that if the clause were struck out it would be inconvenient so far as the machinery of the Bill is concerned, but it is obvious that it will be carried. There are several honorable members, however, who wish to show emphatically that they disapprove of the Government proposal, and it is our desire that the division upon clause 2 should be taken as a test.

Mr. LONSDALE (New England).—Am I to understand that the object of dividing on this clause is to settle the question whether we are to have a redistribution of seats only once in ten years?

Mr. KENNEDY.—No.

Mr. LONSDALE.—At present the census is taken every ten years, and the point that I wish to ascertain is, whether the rejection of this clause would render it impossible to have an intermediate enumeration, so as to enable a redistribution of seats to take place every five years? It appears to me that the object which the honorable and learned member for Northern Melbourne has in view is to bring about a re-adjustment only once in ten years. I am opposed to that proposal, and will vote against any amendment of the Bill in that direction. It seems to me that the Constitution should be strictly adhered to, and that every State should receive its true measure of representation, according to the latest statistics. We have a shifting population, and we

should be careful to see that each State, as its population increases, or decreases, has its proper representation in this House. We certainly ought not to seek to prevent that by determining that there shall be only a decennial redistribution. If any change of population can be approximately ascertained every five years, as proposed by this Bill, there ought certainly to be a quinquennial redistribution. In my opinion the intention of the Constitution is that the people of the several States shall have their proper representation in this House, and that any movement of population shall be taken into account. I shall therefore oppose the amendment.

Mr. SKENE (Grampians).—I should like to know whether the honorable and learned member for Northern Melbourne proposes that the first enumeration shall be by way of a census, or that there shall not be a redistribution of seats before the next decennial census is taken?

Mr. HIGGINS (Northern Melbourne).—The position may be briefly stated. If there be a redistribution under present conditions it must be on the basis of the census of 1901, inasmuch as no statistics have been collected since then. If, however, a census were taken, say, in 1906, the redistribution which followed would be upon the basis of that census.

Mr. SKENE.—Would that be in accordance with the Constitution?

Mr. HIGGINS.—So far as I can see it would.

Mr. DUGALD THOMSON (North Sydney).—The proposal means either that a redistribution of seats shall not take place until 1911, or that a census shall be taken in 1906, at a cost of about £120,000 to the Commonwealth, in order to ascertain what we practically know already.

Mr. HIGGINS.—It is a question, not of expediency, but of constitutional right.

Mr. DUGALD THOMSON. — I have listened to the legal arguments, but have not gathered from them what is really the constitutional principle involved.

Mr. HIGGINS.—We could hardly expect the honorable member to oppose his own Bill.

Mr. DUGALD THOMSON.—This is not my own Bill.

Mr. HIGGINS.—But it embodies the honorable member's scheme.

Mr. DUGALD THOMSON. — I may reply to the honorable member by saying he takes up his position now because it is

that which he assumed in public some months ago.

Mr. HIGGINS.—I was not then a responsible Minister.

Mr. DUGALD THOMSON. — I hope that the honorable and learned member would not have expressed a different opinion had he been in office; but that he recognised his full responsibility as a member of this Parliament for the course which he then advocated. Another of his proposals is to act upon the census of 1901.

Mr. HIGGINS.—On that alone?

Mr. DUGALD THOMSON.—The proposal that we should effect a re-adjustment by reverting to the census of 1901 is an extraordinary one. There has been no redistribution since the passing of a very important measure by which the number of persons exercising the Commonwealth franchise was increased by 100 per cent., and it is surely time, therefore, that one took place. In making the redistribution we ought to ascertain what should be the representation of each State, so that we may start with a basis of State equality, and also endeavour to establish by it the basis of electoral equality.

Mr. HIGGINS.—That may be very expedient, but what of it?

Mr. DUGALD THOMSON.—The honorable member says that it is not constitutional, but other members of the legal profession, who are quite as capable of expressing an opinion on the subject, differ entirely from him. I do not accept his interpretation of the Constitution.

Mr. HIGGINS.—I do not ask the honorable member to accept it.

Mr. DUGALD THOMSON. — In the opinion of myself and others more capable than I am of determining the legal aspect of the question, the honorable and learned member has not shown that it would be unconstitutional to adopt the course objected to by him. The honorable and learned member has not convinced me.

Mr. HIGGINS.—I have not tried to.

Mr. DUGALD THOMSON.—I may have to admit that I am very dense, but I understood the honorable and learned member to argue that it is unconstitutional to take anything but a census.

Mr. HIGGINS.—I did not say so.

Mr. McCAY.—He said an actual count.

Mr. DUGALD THOMSON.—What is an actual count but a census? The honorable and learned member for Corinella spoke by way of illustration of tallying the

persons leaving or entering a room. Would the honorable and learned member for Northern Melbourne accept such a tally in connexion with a count of the people as a census? To go back to the census of 1901 would be to abandon the whole position, by going back five years to make an adjustment meant to meet our present conditions, whereas, if we wait for the census of 1911, we shall have to continue to take no recognition of the passing of the Women's Franchise Act, and either not redistribute, or, if we redistribute, take no notice of the relative representation of the States. The other proposal is to take a census in 1906. I have already pointed out the enormous expense that that would entail. We should spend £120,000 to arrive at figures which would almost beyond question be practically the same as those which we at present possess—a course which I do not think the people of Australia would like to see taken.

Mr. WILKS (Dalley).—The honorable and learned member for Northern Melbourne apparently wants to go back to the census of 1901, so that Victoria may continue to have a representation of twenty-three members, to which she is not entitled. You, Mr. Chairman, have to-night witnessed a great display of legal gymnastics, in the endeavour of honorable gentlemen to prove that statistics are not statistics, and similar difficult propositions. With regard to the proposal to take a census next year, I indorse what the honorable member for North Sydney has said about the expense, but I would further point out that if it were taken in December, Parliament would then have expired by effluxion of time, and on the results being presented after the general election, it would be contended by the honorable member for Northern Melbourne and others that we could not agree to a redistribution of seats then, because if we did so we should have to hold another general election on the new basis, and the Commonwealth could not afford the expense. The position would be pretty much the same if the census were taken in June next. We know that in connexion with the taking of a State census it is generally four or five months before the returns have all been got in, made up, and checked, and we could not expect to learn the result of the Commonwealth census until the end of the year. The proposal that we shall wait for the census of 1911 makes it evident that the honorable member for Northern Melbourne

is not actuated by the Federal spirit in this matter. The Minister of Home Affairs is one of the representatives of Queensland, and he, no doubt, recognises that what applies to New South Wales to-day will probably apply to Queensland two or three years hence, and is showing a good deal of sagacity in pushing the Bill through. As the right honorable member for Swan has pointed out, if the Committee agreed to the proposal of the honorable and learned member for Northern Melbourne, the Bill would practically have to be dropped, and the redistribution of seats postponed. There will always be difficulties in the way of the redistribution of seats so long as the matter is left to Parliament to deal with. Technical and legal objections, such as those which have been put forward by the honorable and learned member for Northern Melbourne, will always be raised. Each time we come to consider the question, a fresh hurdle is erected, and the House baulks at it as a matter of course. I may be accused of being actuated only by a desire to further the interests of my own constituents, but I would point out that New South Wales has a population which demands this larger representation. The honorable and learned member for Northern Melbourne was forced to use very weak arguments in objecting to the proposal that the figures of the States Statisticians shall be accepted. He appeared to think that persons might cross the border-line between New South Wales and Victoria in vehicles, and thus escape the lynx-eyed Customs officials. He might as well object that no provision is made for counting those who may come over in balloons. In all matters affecting finance and trade, the figures of the States Statisticians are willingly accepted without cavil. It is only in this matter that they are objected to.

Mr. JOSEPH COOK.—And then by the representatives of one State only.

Mr. WILKS.—Yes. The State of Western Australia has at present a representation of five members by virtue of a special concession made by the Constitution, but the time is arriving when she will be entitled to five, and perhaps more members, on a population basis. When that time arrives, the difficulties of re-adjustment will be accentuated. I trust that the Committee will not listen to the un-Federal arguments of the honorable and learned member for Northern Melbourne. As he has not thought it worth his while to move an

amendment, he must be regarded as merely desirous of erecting a placard for the advertisement of a certain State, and certainly lays himself open to the charge of wasting time. Seeing that the greatest relative loser of population among the States is Tasmania, the honorable member for Bass, and the other representatives of that State, should be the first to assist the members from other States in securing just representation, and I trust that he will not vote against the clause.

Question—that the clause be agreed to—put. The Committee divided.

Ayes	...	...	40
Noes	...	...	8
			—
Majority	...	...	32

#### AYES.

Bamford, F. W.  
Bonython, Sir J. L.  
Cameron, D. N.  
Carpenter, W. H.  
Chanter, J. M.  
Chapman, A.  
Conroy, A. H. B.  
Cook, J.  
Culpin, M.  
Deakin, A.  
Edwards, R.  
Fisher, A.  
Forrest, Sir J.  
Fraser, C. E.  
Fuller, G. W.  
Gibb, J.  
Glynn, P. McM.  
Groom, L. E.  
Isaacs, I. A.  
Johnson, W. E.  
Lee, H. W.

Liddell, F.  
Lonsdale, E.  
McCay, J. W.  
Poynton, A.  
Robinson, A.  
Skene, T.  
Smith, B.  
Spence, W. G.  
Storror, D.  
Thomas, J.  
Thomson, D.  
Thomson, D. A.  
Tudor, F. G.  
Watson, J. C.  
Webster, W.  
Wilks, W. H.  
Wilson, J. G.

*Tellers:*  
Cook, Hume  
McDonald, C.

#### NOES.

Higgins, H. B.  
Kennedy, T.  
Knox, W.  
Mahon, H.

Mauger, S.  
Ronald, J. B.  
*Tellers:*  
Crouch, R. A.  
Phillips, P.

Question so resolved in the affirmative.

Clause agreed to.

Clause 3—

1. The day on which any census of the people of the Commonwealth is taken shall be an Enumeration Day within the meaning of this Act.  
2. The Chief Electoral Officer shall appoint other Enumeration Days as follows:—

- (a) The first Enumeration Day shall be appointed as soon as practicable after the commencement of this Act;
- (b) Thereafter an Enumeration Day shall be appointed at the expiration of every fifth year after the taking of the then last preceding census.

Mr. CROUCH (Corio).—Many honorable members who voted in favour of the

preceding clause will, I am sure, be averse to the adoption of a system that will entail a redistribution of the whole of the electorates of the Commonwealth every five years. Any such arrangement would be attended with the greatest inconvenience. Although we may agree as to the necessity for some statutory provision relating to the statistics which are to be adopted as the basis for determining the representation of the various States, it should not be necessary to disturb the whole of the electoral divisions every five years. It is already difficult enough for the electors to accustom themselves to the electoral boundaries, and if changes are made in the manner contemplated, some honorable members will be called upon to devote their attention to an entirely new set of electors every few years. The United States Act makes provision for a redistribution after each decennial census, and a similar provision is contained in the Canadian Statute.

Mr. DUGALD THOMSON.—This clause does not refer to the redistribution of seats, but to the readjustment of the States representation.

Mr. CROUCH.—But the readjustment referred to will almost necessarily involve a redistribution of seats, at least in the States whose representation is either increased or decreased.

Mr. TUDOR.—If the constituencies are kept near the quota there will be no necessity for a redistribution of seats every five years.

Mr. CROUCH.—I am very sorry to say that, up to date, the number of electors in the metropolitan constituencies have been kept as high as they can be, whereas the number of voters in country electorates have been kept as low as they can be.

Mr. TUDOR.—That was a mistake.

Mr. CROUCH.—Until the honorable member can assure me with authority that the contrary will be the case I must presume that that system will be continued. I move—

That the word "an," line 2, be omitted, with a view to insert in lieu thereof the word "the."

Subsequently, I shall move that sub-clause 2 be omitted.

Mr. DUGALD THOMSON.—If sub-clause 2 be struck out the whole Bill will go by the board.

Mr. LONSDALE (New England).—I understand that the honorable and learned member for Corio imagines that the word-

ing of this clause renders it imperative that there shall be a redistribution of seats every five years. I do not agree with him. I take it that the meaning of the sub-clause is that the five-year period will be calculated from the taking of the next census. Under the Bill, an enumeration will be made five years after the next census is taken. Hence the objection of the honorable and learned member falls entirely to the ground.

Mr. GLYNN (Angas).—I do not think that the honorable and learned member for Corio should attempt to accomplish his object by the amendment which he has submitted. We ought to have some means of immediately ascertaining the population of the Commonwealth. I would suggest that he should amend paragraph *b* by omitting the word "fifth," line 11, with a view to insert the word "tenth" in lieu thereof. Then the first enumeration would take place as soon as was convenient after the passing of the Act, and subsequent enumerations at the expiration of every tenth year after the taking of the last preceding census. At the present time, it rests with the Government to determine when the census shall be taken. I understand that they suggest that it should be taken every ten years.

Mr. GROOM.—The provision has been left in its present form to enable us to co-operate with the States.

Mr. GLYNN.—If we provide for an enumeration every ten years we ought to see that a census is taken every ten years, and not leave it to an Executive act. We can make the enumeration fall upon the census day, after the first enumeration has taken place. By so doing, we should certainly comply with the spirit of the Constitution, which is that there ought to be a particular enumeration for Commonwealth purposes, and that we ought not to deal with this matter upon mere estimates. Otherwise we shall have to trust to the accuracy of the States statistics, and it was never contemplated that those statistics should be used for the purposes of the Commonwealth.

Mr. MAHON.—Does the honorable and learned member think that it is possible that the States would present inaccurate statistics for the purpose of getting a larger representation?

Mr. GLYNN.—All things are possible. I do not think that what I have suggested is likely to happen, but still all these things must be contemplated. The framers of our Constitution did not think

it wise to leave to the States matters of this sort, in which self-interest may be very strong. If the honorable and learned member for Corio will withdraw his amendment so as not to prevent a special enumeration being made, subject to the allowances prescribed in the schedule for the first redistribution, I shall support him.

Mr. BAMFORD (Herbert).—It seems to me that there is a good deal of make-believe in regard to this Bill. So far I have been unable to ascertain when the measure will commence to operate. The Minister of Home Affairs made some remarks about an enumeration taking place in 1906—that is, five years from the time of the compilation of the last census in 1901. If an enumeration be made in 1906, and a redistribution of seats has to follow, what will be the result? Past experience teaches that we shall not be able to get a redistribution scheme prepared and passed by this House in time for the election which will take place at the end of next year. Consequently I should like to know whether it is the intention of the Government to proceed with the redistribution scheme framed by the various officers of the States within the past few months, or whether we are to have an entirely fresh redistribution.

Mr. GROOM (Darling Downs—Minister of Home Affairs).—I can assure the honorable member for Herbert that this Bill is not intended to be a sham, but a serious piece of legislation to be acted upon. It distinctly provides that immediately after the passing of the Act an enumeration day shall be fixed. The Ministry hope that the Bill will be passed by this Parliament very soon. If the measure becomes law this month, an enumeration day will be appointed in October. Upon that enumeration day being fixed the Chief Electoral Officer will ascertain from the Statisticians the population of the respective States. According to past experience, it takes two or three months to obtain that information. When it has been furnished, a certificate will be issued, and the Government will then order a redistribution of seats. They will appoint the same officers to make the redistribution, so as to comply with the provisions of the Electoral Act, and in order that their reports may be laid on the table of the House at the earliest possible date. Parliament will

then be able to adopt them, so as to bring the redistribution scheme into operation for the next general election.

Mr. BAMFORD.—There will be no time to do that.

Mr. GROOM.—I can assure the honorable member that, administratively, I have had the matter worked out by the officers of the Department. There will be ample time to have the whole scheme brought into operation, so that the next general election may take place in accordance with the provisions of this Bill, and so that the quotas will comply with the provisions of the Electoral Act itself. That is the intention of the Government, and that is why we are endeavouring to get this measure passed at the earliest possible moment. The honorable and learned member for Corio has expressed a fear that because we have made provision for an enumeration every fifth year, there will of necessity be a redistribution of seats in all the States every five years. That is not so.

Mr. MAHON.—But there must be a count of all the people every five years.

Mr. GROOM.—There must be a count every five years in order to ascertain what are the rights of the States. For example, if a count were taken in the year 1916, five years after that of 1911, Western Australia—if she continues to progress as she has been doing—would probably be entitled to an additional representative. The honorable and learned member for Corio need entertain no fear that there will be a redistribution of seats every five years. It will only be necessary to redistribute seats in the particular States which happen to be affected. Let us suppose that Victoria's proportion is not affected; in that case there will not necessarily be a redistribution in Victoria. If Western Australia or Queensland were entitled to an additional member there would of necessity have to be a redistribution, or if a representative were taken away from a State a redistribution would also be necessary. These are the points raised by the honorable and learned member for Corio, and I ask him not to press his amendment, inasmuch as in substance the question was decided on a previous division.

Mr. CROUCH (Corio).—The honorable and learned member for Angas, who said that we should not deal with mere estimates, has supported my contention in a way that I did not anticipate. I would



point out that there is another reason in addition to that which I have mentioned to him why I do not wish to accept the amendment which he suggested, and that is that in my opinion "enumeration day" and "census day" should be synonymous terms. The question of the constitutionality of the Government proposal has been dealt with, but we have yet to say whether it is wise for us to act upon mere estimates of the population in determining the measure of representation which each State should enjoy in this House. I have before me a statement made by Senator Styles that—

I was talking only the other day to Mr. McLean, the Victorian Statistician, who said that although he had supplied statistics, they were not sufficiently reliable for the representation of any State to be altered upon their basis.

Mr. MCCAY.—Mr. McLean, in an official letter to the late Treasurer in March last, said that no allowance for error could entitle Victoria to twenty-three members.

Mr. CROUCH.—The statement in question was made by Senator Styles as recently as the 7th July last. I hold that if any reduction is to be made in the representation of a State in this House, it should be based upon thoroughly reliable statistics, and not upon mere estimates of population. To make a redistribution on the estimates of the Statisticians would be to depart entirely from the course proposed some time ago by certain very prominent members of the House. Senator Styles went on to say on the occasion in question that "Mr. Coghlan also thinks it is a good and sound principle," that no alteration should be made until a census has taken place. The representation of the States in this Chamber was originally determined, not upon the census, but upon the estimates of the Statisticians, and when nine months later the census returns were published it was found that the population of New South Wales was 2,000 below the estimate, while that of Victoria was from 36,000 to 38,000 in excess of the figures supplied by the Statisticians.

Mr. DUGALD THOMSON. — The census figures left the representation just as before.

Mr. CROUCH.—If the honorable member refers to *Coghlan* he will find that my statement is correct.

Mr. DUGALD THOMSON. — I have the figures.

Mr. CROUCH.—There can be no doubt that the census of 1901 showed that the esti-

mates made nine months before by the Statisticians were grievously wrong. In view of this fact, and the fact that the Government Statisticians of New South Wales and Victoria have said that they prefer to work on the census rather than on mere estimates, it will be a huge farce for the Committee to pass the Bill as introduced. It would be unfair to reduce the representation of any State on the mere estimates of Statisticians. Even if it was the fault of the Government of the day that action was not taken to alter the representation of New South Wales immediately upon the publication of the census returns for 1901, that is no reason why any honorable member should have his constituency wiped out on estimates that have proved to be inaccurate. We should have reliable information instead of mere misleading estimates to work upon. The Minister has said that the Government do not desire to expend £120,000 on taking a census for this purpose. It is not my wish that that expenditure should be incurred. I should be better pleased if the redistribution were allowed to remain in abeyance until the next decennial census were taken, but I feel that it would be better to have a census taken in 1906—and in that way to secure reliable information—than it would be to make a redistribution of seats on estimates that are not to be relied upon.

Amendment negatived.

Clause agreed to.

Clause 4—

1. The numbers of the people shall be ascertained as on Enumeration Day in accordance with the following provisions:—

(b) In the case of an Enumeration Day not being a census day, allowances shall then be made. . . .

2. Until the census is taken pursuant to any law of the Commonwealth, the census taken pursuant to the law of any State shall, as regards that State, be the census for the purposes of this Act.

Mr. CULPIN (Brisbane) I move—

That the word "allowances," line 5, be left out, with a view to insert in lieu thereof the word "calculations."

Mr. CROUCH.— I think that "guess" would be the proper word to use.

Mr. CULPIN.—It is essentially a matter in which calculations should be made, and I trust that the Committee will agree to the amendment.

Amendment negatived.

Mr. MAHON (Coolgardie).—The point upon which I wish to lay stress is that an expenditure of £120,000 every five years

in ascertaining the number of the population would be altogether unwarranted. We ought to know from the Minister whether this enumeration practically means the taking of a census every five years.

Mr. GLYNN.—It ought to mean that, but it does not mean it in the Bill.

Mr. MAHON.—I put aside all technical and legal complications, and wish to get down to the simple method to be pursued in making this enumeration. What I desire to know is what it will cost; I do not care whether it be called a census or an enumeration.

Mr. JOSEPH COOK.—What did the last enumeration cost?

Mr. MAHON.—I understand that the last enumeration was the last census.

Mr. JOSEPH COOK.—No. The last Government took an enumeration.

Mr. GROOM (Darling Downs—Minister of Home Affairs).—The census costs about £120,000 for collection and compilation; but the ascertainment of the population in the manner here prescribed has not hitherto cost the Commonwealth anything, the information being furnished by the States gratuitously.

Mr. RONALD (Southern Melbourne).—I object to the proposed enumeration. It is not only a clumsy and slipshod way of ascertaining the number of the population, but, as the Minister has shown, also a cheap and nasty way. The census is a semi-scientific method of getting at the truth, and provides the only reliable data that we can go on. Both an enumeration and a census will be unnecessary. It seems to me that it will be sufficient to take a census every ten years, and I enter my protest, not only against the taking of a quinquennial census, but also against the taking of an enumeration, which is merely a vague guessing, whereby it is impossible to do justice.

Amendment (by Mr. GROOM) proposed—

That after the word "taken," line 8, the words "after the commencement of this Act" be inserted.

Mr. CROUCH (Corio).—I wish to inform the honorable member for North Sydney, who has the support of the honorable and learned member for Corinella, who said that he had a letter from the Government Statist of Victoria, in which it was stated that there was no difference of any sort between Mr. Coghlan's estimate—

Mr. MCCAY.—I did not say anything of the kind. I said that there was a letter from the Victorian Government Statist—

if the honorable and learned member will allow me to explain?

Mr. CROUCH.—I do not know that I will just now. My recollection of what the honorable and learned member said is that he had a letter from the Government Statist of Victoria, in which it was stated that there was no difference between the census returns and the estimate upon which the representation of this House was framed. Will the honorable and learned member withdraw that statement?

Mr. MCCAY.—I will not withdraw what I did not say.

Mr. CROUCH.—When I was speaking the honorable member for North Sydney left the Chamber, and was going to get Coghlan's book.

Mr. DUGALD THOMSON.—No, I was not.

Mr. CROUCH.—The honorable member was going to show that the figures on which the representation of this House was first based were similar to the returns of the census of 1901.

Mr. DUGALD THOMSON.—I did not say anything of the sort. I said that the representation was not affected by the difference.

Mr. CROUCH.—I will show the Committee what the difference was. Coghlan, at page 250 of his issue of the *Seven Colonies* for 1899-1900, estimates the population of New South Wales at 1,356,650, and the population of Victoria at 1,163,400—a difference in favour of New South Wales of 193,250. In the issue for 1901-2, however, at page 531, Coghlan states the result of the census of 1901 as New South Wales 1,354,846, and Victoria 1,201,070—a difference of 153,776 in favour of New South Wales, so that in two years New South Wales had lost 1,804 people, while Victoria had gained 37,670. Mr. Coghlan on a later page acknowledges that he had made a mistake. For us to base the representation of the Commonwealth on such estimates is unfair to all the States, and the Bill itself recognises that the figures furnished by the Statisticians are inaccurate, because it provides for the adding of 9 per cent., 12 per cent., and so on. In December, 1903, there were 612,472 names on the Victorian electoral rolls; but a statement of the results of a recent canvass, published by the Department of Home Affairs while the honorable member for North Sydney was Minister, showed an increase in the number of Victorian voters of 5,542. In December, 1903, the number of names on the New South Wales

rolls was 687,049, and the same statement showed the real number of electors to be 669,500—a decrease of 17,549. Yet almost immediately afterwards the Reid-McLean Government were ready to proclaim certain figures, which would have caused Victoria to lose a member. At the time when, according to the Statisticians, New South Wales was gaining population, that State really lost nearly 2,000 persons, while Victoria gained 37,670; yet the Reid-McLean Administration proposed to make a proclamation as to the respective numbers of the States without coming to this House at all.

Mr. McCAY.—We should have had to come to Parliament.

Mr. CROUCH.—They wanted to do it by Executive act, and not by a Bill.

Mr. McCAY.—To do what by Executive act?

Mr. CROUCH.—To proclaim the statistics of the population of the two States without coming to Parliament.

Mr. McCAY.—We should have had to come to Parliament with any proposed redistribution.

Mr. CROUCH.—I did not say that they would not. What I said was that the dispute about the figures was going to be settled by them by proclamation and an Executive act, instead of the matter being brought before Parliament. At the time that the Reid-McLean Administration were ready to do this, the adult electors of Victoria, male and female, had increased by 5,542, while those of New South Wales had decreased by 17,549. I did not wish to refer to this matter, but the statements of honorable members have made it necessary for me to support with details my original assertions. It would be very dangerous indeed to rely on the estimates of the Statisticians. Personally I have sufficient confidence in the people of the other States to be prepared to trust Victoria to their government, but as the Constitution provides for the representation of the States, I shall not permit this State to be deprived of its fair representation by any system based on what is proved to be stupid guesswork. With regard to the proposal to redistribute the constituencies every five years, it seems to me that it will cause great inconvenience. In one instance it is proposed to make up a constituency of parts of four of the present constituencies. I think that it is unfair that the constituencies should be cut up every five years.

Instead of preserving community of interests, such as the Electoral Act contemplated, we shall throw the constituencies into a state of confusion at very short intervals, and I believe that honorable members will have cause to regret the course they have adopted to-night.

Mr. McCAY (Corinella).—I desire to correct a misapprehension under which the honorable and learned member for Corio appears to be labouring with regard to an interjection I made whilst he was speaking. I interjected that the Government Statistician of Victoria stated, in writing, in March of this year, to the Treasurer of the Commonwealth, in reference to the estimates published on the 31st December, 1904, "I do not think that any error which may have occurred will entitle Victoria to twenty-three members."

Mr. CROUCH.—We shall see what *Hansard* records as having been stated by the honorable and learned member.

Mr. McCAY.—I do not care what the honorable and learned member thinks, but I wish to make matters quite plain to the members of the Committee.

Mr. MAHON (Coolgardie).—I see that in schedule A, provision is made for certain percentages of allowance for unrecorded arrivals and departures by sea and land. It is stated that—

In the case of the States of New South Wales, Victoria, Queensland, and South Australia, 10 per centum shall be added to the numbers of people arriving and departing as shown by the information received from the Railway Departments, to allow for unrecorded arrivals and departures by rail and road.

I should like to know how that allowance of 10 per cent. has been arrived at. Then I notice that in paragraph 5 certain percentages are to be added to the numbers of persons departing by sea to allow for unrecorded departures. In New South Wales and Victoria 9 per cent., in Queensland 10 per cent., in South Australia 7 per cent., in Western Australia 5 per cent., and in Tasmania 12½ per cent. is to be allowed. It appears to me that the variation in the percentages requires some explanation. The figures for Tasmania are so very exact that I presume they must have been based upon reliable information. At the same time, it occurs to me that a larger percentage might very well be allowed in the case of Western Australia, because, although the principal traffic passes through three or four ports, a considerable number of persons arrive and depart from the north-western ports of that State. For instance, a large number of

pearlers come and go from Broome, on the north-western coast, and depart thence, but I presume that the majority of those would be coloured aliens, who would not be included in the count for the purpose of determining the representation of the State. Still there are many others who arrive at or depart from Wyndham, Broome, Derby, and other places. Moreover, a number of persons use Esperance as a point of arrival and departure. I should like to have some explanation from the Minister.

Mr. GLYNN (Angas).—I am not quite sure that I understand the full effect of the amendment proposed by the Minister. It appears to me that if the words "after the commencement of this Act" are inserted after the word "taken," as he proposes, they will have the effect of postponing the second enumeration day until five years after the next census is taken. That would be five years after 1911. Under clause 3 I understand that there is to be an enumeration every census day, and that there is to be a special enumeration day midway between the census days. All I desire to know is whether it is the intention of the Minister to fix the second enumeration day five years after the next census is taken.

Mr. GROOM (Darling Downs—Minister of Home Affairs).—With respect to the question asked by the honorable member for Coolgardie, I may explain that the percentages were supplied by the States Statisticians, who met in conference. After deliberation and consultation, and after the revision of all their figures for the three years following the census taken in 1901, they worked out the percentages embodied in the Bill. They regarded 10 per cent. as a fair allowance to make for unrecorded arrivals and departures by land. So far as arrivals and departures by sea are concerned, the Statisticians worked out the records of the departments, and then made a comparison with the census statements with a view to arrive at an absolutely reliable percentage. Western Australia is to a certain extent like an island, and the returns of population generally can, therefore, be compiled with a fair degree of accuracy. The same remarks apply to Tasmania, and it is only in the eastern States that any difficulty arises. With regard to the remarks of the honorable and learned member for Angas, I would point out that clause 3 provides that the day on which any census of the people of the Commonwealth is taken shall be an enumeration

day. That is a fixed day. The intention of the clause is to enable us to fix an enumeration day as early as possible after the passing of the Bill. The next enumeration day would be a census day, and after that, assuming that a decennial census is taken regularly, we should at alternating periods have census and enumeration days, which are not census days.

Mr. GLYNN.—I know that that is what is intended; but I am afraid that the amendment proposed by the Minister will not have the desired effect.

Mr. GROOM.—I shall consult the Parliamentary Draftsman, and take care that the intention is clearly expressed.

Mr. KNOX (Kooyong).—Although the Committee has decided by an overwhelming majority to accept the enumeration days as involving a possible readjustment of the representation of the States, I still adhere to the belief that it would have been far better to fix census periods for effecting a change of representation. Under existing circumstances, I feel that we must agree to an enumeration being made every fifth year, and to the census returns being collected every tenth year. In order that the information thus derived may be as accurate as possible, it seems to me that a special arrangement will require to be made with the States under which the enumeration shall be conducted upon definite lines. It should be specifically set out in the Bill that no change shall be made in the boundaries of electorates unless there is a sufficient alteration in the number of voters to justify a change in the representation of the various States. My object is to avoid expense. If we make these changes every ten years, in my judgment, we shall accomplish all that is necessary. Although I voted in favour of obtaining accurate information, I cannot persist in objections to the recommendations of the Government.

Mr. LONSDALE (New England).—The honorable and learned member for Corio spoke of the reduction in the population of New South Wales, with a view to showing that no enumeration should be made apart from the actual taking of the census. But I would point out to him that the reduction in the voting strength of the electorates there is due to the fact that it is very much more difficult to collect statistics in New South Wales than it is in Victoria. In the latter State the population is very much denser. The people in New South Wales are scattered over a much larger area,

and consequently it is more difficult to secure an accurate enumeration there. Concerning the question of the percentages to be added to the numbers of persons departing by sea, to allow for unrecorded departures by sea, I take it that the State Statisticians, in conference assembled, found that they had not previously made a fair allowance, and consequently agreed to the percentages which have been embodied in this Bill. In so acting their object was to get as accurate an enumeration as possible. In the case of Western Australia, it seems to me that the allowance of 5 per cent. is rather an advantage than otherwise to that State. I think it is proper that we should make an enumeration of the population, especially if the work can be undertaken without incurring any very great expenditure.

Amendment agreed to.

Clause, as amended, agreed to.

Clause 5 agreed to.

Clause 6—(Certificate of Chief Electoral Officer).

Mr. LONSDALE (New England).—I presume that the regulations mentioned in this provision will be laid upon the table of the House?

Mr. GROOM.—Yes.

Mr. LONSDALE.—The adoption of that course will involve delay.

Mr. GROOM.—No; not in bringing the Act into operation. I can give the honorable member my assurance on that point.

Clause agreed to.

Clauses 7 to 9 agreed to.

Clause 10—

When in pursuance of a certificate under this Act an alteration takes place in the number of members of the House of Representatives to be chosen in any State the alteration shall not take effect—

- (a) at any election held before the State has been redistributed into electoral divisions pursuant to the certificate; nor
- (b) at any election to fill a vacancy in a House of Representatives elected before such redistribution.

Mr. GLYNN (Angas).—I am somewhat doubtful as to whether we have power to pass this clause. It provides that after we have ascertained what the number of members ought to be for each State, in accordance with the provisions of the Constitution, we shall not put the law into force. In other words, when we have determined the number of members to which each State is entitled, we need not apply this Act to any election which takes place immediately afterwards, or any election which has not

been preceded by a Redistribution of Seats Act. I quite recognise the difficulty in which the Ministry find themselves, but it seems to me that they are endeavouring to overcome it by adopting an unconstitutional method.

Mr. GROOM (Darling Downs—Minister of Home Affairs).—The section is intended to meet two contingencies. The honorable member must see that it may happen that an enumeration is ordered practically within two or three days of the time for a dissolution of Parliament. That being so, it would be utterly impossible by any conceivable electoral machinery to give effect to the alteration. Take the case of a dissolution which may occur during the currency of a Parliament before it is possible to redistribute the electorates so as to enable the elections to be held on the redistributed basis. Again, in the event of a vacancy arising after an alteration of members and before a dissolution, we could not redistribute the whole of the electorates which are represented by members who constitute an existing House.

Mr. GLYNN.—But the Constitution provides that we must do that.

Mr. GROOM.—An alteration can only be effected in the manner provided by the Bill. I submit that it is for Parliament to determine whenever it is necessary to change the proportion. In this Bill we are laying down a definite course of procedure, so that we may know exactly how we are to act.

Mr. DUGALD THOMSON (North Sydney).—I think that this clause requires to be amended if the Bill is to fulfil the intention of the Minister. He has declared that it is desirable that the decision as to when an adjustment of representation shall take place should be taken out of the hands of the Government, and placed by Act of Parliament beyond question. Whilst I see that the Bill contains provision for the method by which an enumeration of the population shall be made, and for the time of making such an enumeration, it seems to me that no provision is made to insure a re-adjustment of representation, apart altogether from the will of the Ministry. That is to say, all these steps may be taken, but nothing may ensue. Consequently, I move—

That the following words be added to paragraph (b)—“but shall take effect at the first general election after such redistribution.”

I do not think that such an amendment would operate in any way against the

intention of the Bill. It would make it absolutely clear that the readjustment is not to be left to the will of the Minister; but that after certain steps have been taken under the provisions of this measure, a final step is to follow.

Mr. GROOM (Darling Downs—Minister of Home Affairs).—The Government are prepared to accept the principle of the amendment, and if it be necessary to put it in technical form, it will be open to us to have the provision re-drafted.

Mr. LONSDALE (New England).—Presuming that an enumeration shows that a redistribution of seats should at once take place, I think that the necessary Bill should be immediately brought in, so that the redistribution may apply to the next general election. I should like to know whether that is the intention.

Mr. GROOM.—I promise the honorable member that I will look into the whole question.

Amendment agreed to.

Clause, as amended, agreed to.

Clause 11 (Power to make regulations).

Mr. GLYNN (Angas).—I have a technical objection to offer to the clause. I think that in the Acts Interpretation Amendment Act, we provide that regulations that have to be laid before Parliament, may be disapproved of by resolution of which notice has been given within the period named, and I fail to see why we should not follow the terminology of that Act in the present case. It is provided in this clause that—

A regulation . . . shall not have any force until it has been laid before both Houses of the Parliament for thirty days, or, if within that time a resolution has been proposed in either House of the Parliament to disapprove of the regulation, until the motion for the resolution has been disposed of.

An honorable member might, within the thirty days, give notice of a motion to disapprove of the regulation, but it might be impossible to deal with it for at least two months. Regulations might be laid on the table in the middle of a session, when the notice-paper was loaded with private members' business, and although a notice of motion was given within the time specified, it might be impossible to discuss it for another two months. I shall not move an amendment, but make the suggestion to the Government that we should adhere to the principle laid down in the Acts Interpretation

Mr. GROOM (Darling Downs—Minister of Home Affairs).—The object of framing the clause as it stands was to insure that Parliament should have complete control over the bases of the enumeration. Under the Rules Publication Act the rules in specific cases, I think, take effect provisionally. I shall, however, look into the drafting of the clause, and if necessary, bring it into line with the Acts Interpretation Act.

Clause agreed to.

Schedules agreed to.

Bill reported with amendments.

## WIRELESS TELEGRAPHY BILL.

*In Committee*—(Consideration resumed from 23rd August, *vide* page 1386).

Clauses 1 to 3 agreed to.

Clause 4 (Exclusive privileges of Postmaster-General).

Mr. JOSEPH COOK (Parramatta).—I should like to ask the Postmaster-General whether he will consider a very much better way of arriving at the object sought to be achieved by this clause. If he has read the *Age* of to-day he will know that a man in Victoria—an ordinary laundryman—is able to obtain messages from other parts of the world in an instant of time. I suggest that it would be to the advantage of Australia, as a whole, if the Government could enlist his services. The Minister should look into the matter, and should particularly consult the Prime Minister in reference to it.

Mr. BRUCE SMITH (Parkes).—I should like to ask the Postmaster-General whether this is an attempt to monopolize all possible utilization of wireless telegraphy? Has the honorable gentleman made any arrangement with the patentees in regard to its use, or is this simply an appropriation of all patents for use by the State in Australia, without any attempt at arriving at an arrangement with the owners?

Mr. AUSTIN CHAPMAN (Eden-Monaro—Postmaster-General).—The Bill is simply designed to give the Postmaster-General all the powers that he should properly exercise in regard to wireless telegraphy. No arrangement has been made with any particular patentee.

Mr. BRUCE SMITH.—This is simply a Bill to appropriate the patent?

Mr. AUSTIN CHAPMAN.—Not to appropriate it.

Mr. ISAACS.—It is designed to enable the Commonwealth, not to appropriate the invention, but to control it.

Mr. BRUCE SMITH.—That is all I wished to know.

Clause agreed to.

Clauses 5 to 10 agreed to.

Bill reported without amendment; report adopted.

Bill read a third time.

### ADJOURNMENT.

Mr. DEAKIN (Ballarat—Minister of External Affairs).—In moving

That the House do now adjourn,

I desire to intimate that we shall proceed to-morrow with the consideration of the Commerce Bill, and I hope that our deliberations will be marked by the same spirit of industry and application that has characterized our efforts to-night.

Question resolved in the affirmative.

House adjourned at 10.30 p.m.

## Senate.

Thursday, 14 September, 1905.

The PRESIDENT took the chair at 2.30 p.m., and read prayers.

### PAPERS.

MINISTERS laid upon the table the following papers:—

Return to order of the Senate of 30th August, 1905. Tarcoola Post Office: Annual telegraphic revenue.

Provisional Regulations under the Defence Acts 1903-1904.—Statutory Rules 1905, No. 54.

### SUGAR INDUSTRY: ABORIGINES.

Senator WALKER asked the Minister representing the Minister of Trade and Customs, *upon notice*—

1. Is it a fact, as reported, that where aborigines of Australia are employed in the sugar industry, persons so employing them are ineligible to obtain the rebate which is supposed to be given to others only employing white labour?

2. If the answer is in the affirmative to the previous question, is it the intention of the Government to remove such restriction, the aborigines being the original owners of the soil of this country?

3. Are Australian half-castes, quadroons, and octoroons reckoned as aborigines when employed in the sugar industry?

Senator PLAYFORD.—The answers to the honorable senator's questions are as follow:—

1. The employment of aborigines in the production of sugar-cane operates as a bar to the payment of bounty on any such cane.

2. The matter will receive consideration.

3. The Sugar Regulations state that "the expression 'white labour' is used to the exclusion of all forms of coloured labour, whether aborigines of Australia or not, and whether half-caste or of full blood."

### MR. O. C. BEALE.

Senator MATHESON asked the Minister of Defence, *upon notice*—

1. Has his attention been called to a reported speech of Mr. O. C. Beale, in the *Age* of 11th September, 1905, as follows:—

"A syndicate in London was prepared to spend £700,000 in constructing a tunnel under the harbor to North Sydney—(a voice: 'No good!')—Never mind if it was any good or not, why in the wide world should they not let a syndicate spend £700,000 in the country if it wanted to?"

2. Is the speaker the same Mr. Beale whom the Prime Minister has accredited by letter to several European countries to inquire into certain subjects on behalf of the Commonwealth?

3. Do the Government consider that Mr. Beale's opinion, as expressed above, represents a correct standard of commercial morality?

4. Do the Government consider that Mr. Beale's opinion, as expressed above and emanating from a representative of Australia on his way to Europe, is likely to improve the credit of the Commonwealth?

Senator PLAYFORD.—The answers to the honorable senator's questions are as follow:—

1. The newspaper report has been read.

2. Yes.

3 and 4. Ministers entertain no doubt of Mr. Beale's commercial standard, or of his fitness to uphold the credit of the Commonwealth.

Senator MATHESON.—I should like point out that that is not a reply to my question.

The PRESIDENT.—The honorable senator can ask another question, but he cannot debate the reply to his question.

Senator MATHESON.—I asked whether Mr. Beale's opinion represented a correct standard of commercial morality, and not whether Mr. Beale was commercially moral. I should like to have an answer to the question.

Senator KEATING.—That raises the whole question of what is moral and immoral again.

## LEAVE OF ABSENCE.

Motion (by Senator WALKER) agreed to—

That two months' leave of absence be granted to Senator Lt.-Col. the Honorable John Cash Neild, on account of his serious illness.

## RE-ARRANGEMENT OF BUSINESS.

Senator WALKER (New South Wales).—On behalf, and at the request of Senator Neild, I desire to postpone, until 9th November, the first notice of motion standing in his name, and relating to the sittings of the High Court.

The PRESIDENT.—The honorable senator can postpone the notice of motion; he does not need to ask leave.

Senator MILLEN (New South Wales).—With some diffidence, sir, I rise to draw your attention to the fact that a measure dealing with this matter is likely to come before the Senate. May I suggest to Senator Walker that he should postpone the notice of motion until next week, with a view to consulting Senator Neild, and asking his permission, either to move the motion on his behalf, or to allow it to drop off the notice-paper. Otherwise the Senate may be hampered at a later stage if the question is sought to be discussed in his absence.

The PRESIDENT.—I think we shall have to make an alteration in our Standing Orders in reference to this matter. Under the Standing Orders of the House of Commons no honorable member can give notice of a motion for more than four sitting days ahead, but our Standing Orders contain no such limitation, and an honorable senator can give notice of a motion for a date months ahead. That precludes the Senate from discussing the question, because to do so would be to anticipate the discussion on the motion. It is a state of affairs which, I think, ought not to continue, and I intend to ask the Standing Orders Committee to consider it. It is not right that one member of the Senate should be able to put a motion on the notice-paper, and thus prevent any discussion of its subject-matter. Under the present Standing Orders, however, Senator Walker has merely to state that at the request of Senator Neild, he postpones this notice of motion to a certain date.

Senator WALKER.—Am I at liberty, sir, to withdraw the notice of motion on behalf of Senator Neild? He merely asked me to postpone the notice of motion until the 9th November.

The PRESIDENT.—I shall give the honorable senator an opportunity of re-stating what he wishes to do.

Senator WALKER (New South Wales).—I really do not know what to do. I am sure that Senator Neild has no wish to interfere with the privileges of the Senate in regard to the subject-matter of the four notices of motion standing in his name on the notice-paper to-day.

The PRESIDENT.—The honorable senator can say that on behalf of Senator Neild he is not going to move the first notice of motion, or he can put it down for a future date.

Senator WALKER.—I am sure that Senator Neild does not wish to interfere with the transaction of any business here.

The PRESIDENT.—The honorable senator can allow the notice of motion to drop off the notice-paper, and fresh notice may be given if desired.

Senator WALKER.—I shall do that, sir.

Senator MILLEN.—I suppose it is quite understood by you, sir, and Senator Walker, that I in no sense suggested that Senator Neild put this motion on the notice-paper with a view to prevent the discussion of its subject-matter. I regret that ill-health is the cause of his absence.

Senator Sir JOSIAH SYMON (South Australia).—The Senate is indebted to you, sir, for the intimation you have given in regard to a position which might be embarrassing in relation to public business. We are also indebted to your efforts on a previous occasion in making the rule so elastic as to enable the transaction of public business to be facilitated. I think it is our duty to recognise that fact.

Senator PEARCE.—There are three other notices of motion in the name of Senator Neild, sir.

The PRESIDENT.—The time has not yet arrived for those notices of motion to be called on.

Senator PEARCE.—But this is the time set apart for private business.

The PRESIDENT.—Under the Standing Orders honorable senators have a right at this stage to re-arrange the dates on which they will move their notices of motion. I asked if any honorable senator wished to re-arrange his business, and Senator Walker said that on behalf and at the request of Senator Neild he wished to put down the first notice of motion for a future date.



Senator Sir JOSIAH SYMON.—Then he intimated that he will not move the notice of motion.

The PRESIDENT.—Yes. Not one of the other three notices of motion in the name of Senator Neild has yet been called on.

Senator WALKER (New South Wales).—Senator Neild also wishes to have notice of motion No. 2, standing in his name, postponed.

The PRESIDENT. — The honorable senator must state the date to which he wishes to have the notice of motion postponed.

Senator WALKER.—I wish to have it postponed until 9th November, but I hope that I am at liberty to say that if it would be more convenient that the notice of motion should drop off the paper, I do not wish to inconvenience the Senate.

The PRESIDENT.—Do I understand that Senator Neild wishes to have the notice of motion postponed until 9th November?

Senator WALKER.—Yes.

The PRESIDENT. — Then that is finished; the notice of motion is postponed. Notice of motion No. 3 also stands in the name of Senator Neild. What is to be done with that? Honorable senators will, I think, see the position. A notice of motion on the paper is the property of the mover, and no one else can move it, except at his request, and on his behalf. If it is called on and is not moved, either by the honorable senator who has put it on the paper or by some one on his behalf, it falls off the paper. But the Senate cannot insist on discussing it, because it cannot be moved except by the senator who has given notice. Does Senator Walker, on behalf of Senator Neild, ask that notice of motion No. 3 shall be postponed until 9th November?

Senator WALKER.—Yes.

The PRESIDENT.—Then it is postponed.

Senator WALKER.—On Senator Neild's behalf, I wish to move notice of motion No. 4.

Senator Sir JOSIAH SYMON.—And at his request?

Senator WALKER.—No.

The PRESIDENT.—The honorable senator cannot move it except at Senator Neild's request.

Senator WALKER. — Senator Neild asked me to get all his notices of motion postponed. He sent his son to my house, he himself being very ill.

## NATIONAL MONOPOLY IN TOBACCO: SELECT COMMITTEE.

Senator PEARCE (Western Australia).—I move—

That the evidence taken before the Select Committee of the Senate last session on the subject of the Tobacco Industry, and laid upon the Table of the Senate 4th August ultimo, be referred to the Select Committee on Tobacco Monopoly appointed on 31st August, with leave to report it.

I thought that this motion would have been accepted as formal. The evidence taken by the Committee appointed last session has been laid upon the table of the Senate, and my desire is that it shall be referred to the Select Committee which has been re-constituted. I do not know what reasons may animate Senator Millen in desiring to discuss the motion, but I shall have an opportunity to reply, and will avail myself of it. At this stage I simply move the motion.

Senator MILLEN (New South Wales).—Senator Pearce seems to resent very much my action in requiring this motion to be taken as not formal.

Senator PEARCE.—I did not resent it, but I could not understand the honorable senator's action.

Senator MILLEN.—That is no justification for the honorable senator's feeling about the matter.

Senator PEARCE.—Why does the honorable senator say that I resented his action?

Senator MILLEN.—From the honorable senator's attitude and his remarks about it. My reasons for preventing the motion going as formal were these: In the first place I desired to direct the attention of the Senate to the fact that the Committee originally appointed was directed to inquire into the question of old-age pensions. The Committee last appointed was constituted for quite a different purpose. There was no direction to it to inquire into any matter connected with old-age pensions. As far as the evidence taken by the first Committee relates to the tobacco industry, I am quite in accord with its being referred to the second Committee. But we are asked to hand over to a Committee appointed solely to deal with the tobacco business, evidence upon the question of old-age pensions, with a direction to the Committee to report. To report upon what? Upon old-age pensions? The Senate has not sanctioned the appointment of a Committee for that purpose. By a side wind—I use the term without any sinister meaning—we are asked to empower a Commit-

tee to report upon a matter which has not been specifically referred to it. I hope I make my point quite clear, that the second Committee was authorized to inquire into the tobacco industry, and the existence of an alleged combination of tobacco manufacturers; and, if such combination exists, the effect upon the tobacco growing and manufacturing industries of Australia, and upon the Commonwealth itself. The first Committee, however, was appointed to inquire into the question of raising funds for old-age pensions. Seeing that this motion is not merely to hand over to the second Committee, the evidence taken by the first Committee, but is a direction to report, I object to the procedure proposed. If it were merely a direction to hand over to the second Committee the evidence for what it is worth, well and good; but the Committee is specifically called upon to report on the evidence taken primarily with regard to old-age pensions.

Senator FINDLEY.—No, with regard to the tobacco monopoly.

Senator MILLEN.—If that contention be correct, I cannot compliment my honorable friends opposite on the drafting of the motion. I can only assume that the motion means what it says. Another matter to which I wish to direct attention is this: I believe that honorable senators will quite understand that in what I am about to say, I speak with an entire absence of any personal feeling towards any of the members of the Committee. I think that it is desirable, with all the emphasis of which I am capable, to direct public attention to the fact that six out of seven of the members of the Committee to whom we are referring the gigantic proposal to create a public monopoly and to launch the Commonwealth upon a system of manufacturing, have declared themselves in favour of the proposal.

Senator PEARCE.—Is the honorable senator in order, sir, in discussing the constitution of the Committee? It has been constituted by the Senate, and Senator Millen is objecting to the evidence taken by the first Committee being referred to the second because of its constitution.

Senator MILLEN.—Surely on a proposal to refer a matter to a Committee, I have a right to question the competency of the Committee.

Senator PEARCE.—Is the honorable senator in order in reflecting on the action of the Senate in appointing the Committee?

The PRESIDENT.—The Senate has appointed a Select Committee to consider the alleged tobacco monopoly. I do not think that any honorable senator is in order in reflecting on that Committee. But I understand that Senator Millen contends that the Committee recently appointed is not the same as that which took evidence last year. It is differently constituted.

Senator DAWSON.—It is a parliamentary Committee, all the same.

The PRESIDENT.—But it is not the same Committee as was appointed last session. Senator Millen would be in order in pointing that out, but I do not think that he is in order in making a statement as to the competency of the Committee to inquire into the subject, seeing that that Committee has been appointed by the Senate. He should have objected when the Committee was appointed.

Senator MILLEN.—I do not challenge the competency of the Committee from a mental stand-point. I was merely directing the attention of the Senate to the fact that the Committee was constituted in a certain way, with a view to asking that the evidence taken by the first Committee should not be referred to the second, seeing that it is practically a packed jury.

The PRESIDENT.—The honorable senator should not reflect on the action of the Senate. If he objected to the constitution of the Committee he should have urged his objection at the time it was appointed.

Senator PEARCE.—I ask you, sir, to insist on the withdrawal of the words "packed jury."

The PRESIDENT.—The words are not in order.

Senator PEARCE.—I insist on their withdrawal, as being offensive.

Senator MILLEN.—If the honorable senator had kept his seat for a moment I should have been the first to recognise your ruling; but if he is going to "insist," it is another matter. I will accept no dictation from any one but the President.

Senator PEARCE.—I do insist.

The PRESIDENT.—The Senate has appointed a Committee, and I do not think that the honorable senator should reflect upon its constitution by saying that it is a "packed" Committee.

Senator DAWSON.—A "packed jury" is what he said.

The PRESIDENT.—The honorable senator should withdraw any expression reflecting upon the action of the Senate, because it is contrary to the Standing Orders.

Senator MILLEN. — I commenced by stating that, if Senator Pearce had waited a moment, he would have found that I was the first to recognise your ruling, not merely because it is your ruling, but because it appeals to my sense of what is right.

Senator PEARCE.—The honorable senator has not withdrawn the remark.

Senator MILLEN.—I have withdrawn twice. Honorable senators opposite need not think that I fear any loss of dignity in withdrawing an unfortunate expression that has slipped out.

Senator PEARCE.—Why did not the honorable senator withdraw it, then?

Senator MILLEN.—Will the honorable senator hold his tongue? If not, I shall "insist" upon his doing so. Do I understand that it is not possible for me to object to this motion because of the constitution of the Committee?

The PRESIDENT.—I do not say that. The honorable senator can object, if he chooses, to the evidence taken by the last Committee being referred to the new Committee, because it is a different body; but he cannot object on the ground that it is a "packed" Committee.

Senator GIVENS.—I have listened carefully to every word that has been said, and I have not heard Senator Millen withdraw the words that you ruled out of order.

Senator MILLEN.—If it will allay any anxiety, I will withdraw them again. I find some little difficulty, in my desire to observe your ruling in determining how far I can discuss the matter from the point of view in which it presents itself to my mind. My objection to send this evidence to the Committee recently appointed is, as I have indicated, that it is not the same Committee as took the evidence on the previous occasion, and also because the latter Committee was appointed for a totally different purpose. My second objection—and here I fail to catch the exact scope of your ruling—is to the evidence going to the second Committee because of its composition. I do not reflect upon the action of the Senate in appointing the Committee, or upon its competency for the work. I point out—if I can say so without offending the rules of debate—that the members of the Committee have expressed themselves in favour of a certain course of action. For that reason I feel that whatever my own views may be, it is extremely undesirable to refer a debatable matter of such

great public importance to a Select Committee, the members of which, with one exception, have declared themselves as holding a certain view.

Senator PEARCE.—I rise to a point of order. The honorable senator is persisting in reflecting upon the *personnel* of the Committee. For instance, the honorable senator holds that this evidence should not be referred to the Committee, because members of that Committee have expressed their opinion. That is distinctly reflecting upon the members of the Committee, and challenging their impartiality.

Senator STYLES.—I happen to be one of the "packed jury" referred to by Senator Millen.

The PRESIDENT.—Those words have been withdrawn.

Senator STYLES.—I object to the expression being made use of. I cannot understand now on what ground Senator Millen is opposing this motion.

Senator MILLEN.—I was not allowed to proceed.

Senator FINDLEY. — Senator Millen knows what he is objecting to. Probably the honorable senator holds a brief in the matter.

Senator MILLEN.—I rise to a point of order. Is Senator Findley in order in saying that I probably hold a brief in this matter?

Senator STYLES. — Possibly Senator Findley thinks so.

The PRESIDENT.—There is a point of order before the Committee now.

Senator MILLEN.—My only opportunity to draw attention to objectionable words is the moment the words are uttered. I also object to the suggestion of Senator Styles that Senator Findley probably has ground for his assertion.

Senator STYLES.—What I did say was that Senator Findley might think he had grounds.

The PRESIDENT.—I am afraid honorable senators are getting a little warm, and, perhaps, if I point out one matter, it may have the effect of limiting the discussion. The motion asks that the evidence taken before the Select Committee of the Senate last session "on the subject of the tobacco industry," shall be referred to the Select Committee on the Tobacco Monopoly "with leave to report it." What is "it"? That word, I take it, means the evidence which was taken before the Select Committee appointed last session.

Senator STYLES.—It means the evidence on the Tobacco Monopoly.

The PRESIDENT.—Will the honorable senator hold his tongue? "It" is the evidence, which will be sent on to the Committee, but not for the Committee to comment on or discuss, except in so far as it comes within the purview of the power given to them by the Senate, that power being to inquire into the alleged tobacco monopoly, and that only. The present Select Committee on the Tobacco Monopoly have nothing to do with the question of old-age pensions, but have been authorized to inquire into one matter, and one only. Certainly, it is proposed that certain evidence shall be referred to them, and that they shall be empowered to report that evidence, though they are not empowered to comment on it, or report concerning its value or otherwise; they are simply to send it up as an appendix to their report. In reference to the point of order, I do not think that Senator Findley was in order in making the interjection that an honorable senator "probably has a brief," and I ask him to withdraw it.

Senator FINDLEY.—I withdraw it.

Senator PEARCE.—I raised a point of order.

The PRESIDENT.—Many points of order have been raised, and my desire is to deal with one at a time. What is the point of order?

Senator PEARCE.—I contend that Senator Millen is out of order in persisting in challenging the action of the Senate in referring this evidence to the Select Committee, on the ground that the Committee are not fitted to deal with the matter impartially, having, according to that honorable senator, already expressed their opinion. I say that that is a reflection upon the Committee, in which the honorable senator is persisting, notwithstanding your ruling.

The PRESIDENT.—The remark is to a certain extent a reflection upon the Committee, but the question is, may or may not an honorable senator state that members of a Select Committee have already expressed an opinion? I am not prepared to rule that an honorable senator may not do so.

Senator PEARCE.—But Senator Millen goes further, and says that the Committee cannot be impartial.

Senator MILLEN.—I did not say so.

The PRESIDENT.—I did not understand Senator Millen to say that. Whether

any good can arise out of this discussion I am not prepared to say, but I ask Senator Millen to be as brief as possible, and to try not to raise the ire of other honorable senators by referring to the *personnel* of the Committee more than is necessary. The question is whether this evidence ought or ought not to be referred to the Select Committee.

Senator DAWSON.—Seeing that honorable senators are so very ticklish about the use of terms, I should like to know whether it is in accordance with parliamentary practice for the President of a dignified Chamber to tell an honorable senator to "hold his tongue."

The PRESIDENT.—Perhaps not. But the Standing Orders provide that when the President is giving a ruling no other honorable senator shall speak. Perhaps it would have been better had I asked Senator Styles not to speak.

Senator MILLEN.—I never accused the Select Committee of want of fairness, but there is such a thing as unconscious bias, to which we are all subject on questions of race, religion, and so forth. No one, for instance, would think of appointing a committee of New South Welshmen to decide a matter in dispute between their State and Victoria. This is not a question of fairness; and on a matter of abstract justice I should be quite as willing to trust this Select Committee as any other Committee of the House. I should not have moved in this matter had I not felt it to be of sufficient public importance to justify me in directing attention to the fact that the Select Committee is constituted as I have indicated. I rose for that purpose, and to justify my action in declining to let the matter go as formal.

Senator STYLES (Victoria).—I think Senator Millen has fallen into rather a mistake. The motion is that the evidence taken last session "on the subject of the tobacco industry" shall be referred to the Select Committee on the tobacco monopoly. There is nothing in the motion about old-age pensions, and I understand that only that portion of the evidence dealing with tobacco monopoly is contemplated by Senator Pearce, who, as Chairman of the Committee, submits this motion. I understand that Senator Millen has no objection to evidence dealing with the tobacco industry being sent on to the Committee, and, therefore, it is difficult to see why there should be all this noise.

Senator MILLEN.—The "noise" comes from the side on which the honorable senator sits.

Senator STYLES.—I do not know that it does, but, if so, it would not be surprising, considering the insinuations that have emanated from the other side. I am sure that Senator Millen did not intend to be offensive, but, undoubtedly he was unwittingly so; and I felt somewhat sore, as a member of the Committee. Senator Millen says that six out of the seven members have already expressed an opinion on the matter.

Senator GIVENS.—Senator Styles may be that seventh.

Senator STYLES.—I do not think so, because I do not recollect ever saying a word about the matter. I cannot see how the motion could have been worded in any other way.

Senator MILLEN.—Is the honorable senator contending that only a portion of the evidence will, on this motion, be referred to the Committee?

Senator STYLES.—I say that only that evidence will be referred which deals with the tobacco industry.

Senator MILLEN.—Ask the President whether he reads the motion in that way.

Senator STYLES.—I do not know how the President reads the motion, but I would accept his decision in the matter.

Senator MILLEN.—Ask Senator Pearce if he reads the motion in that way.

Senator STYLES.—I ask Senator Millen to say that it is not so.

Senator MILLEN.—Certainly it is not.

Senator PLAYFORD (South Australia—Minister of Defence).—I was a member of the Select Committee which took this evidence last session, and I may inform Senator Millen that, although we had power to report on the question of old-age pensions, we did not take one tittle of evidence regarding it. The whole of the evidence taken was on the question of the tobacco monopoly, and, as Senator Millen has no objection to such evidence being referred, no possible harm can arise from adopting the motion. Considerable good will result, because this motion will prevent the necessity of examining the same witnesses and of reprinting their evidence.

Senator PEARCE (Western Australia).—The Select Committee on the tobacco monopoly, as Senator Playford has pointed out, could, if they choose, recall all the witnesses who were examined last session, and put the country to the expense of

reprinting the evidence. Undoubtedly, the Committee will take that course if this motion be blocked, as Senator Millen seems to desire.

Senator MILLEN.—That is not correct.

Senator PEARCE.—What is the reason for the opposition to the motion, the object of which is to save expense. Senator Millen said that the Select Committee of last session was appointed to inquire into the question of old-age pensions; but I think that the honorable senator can scarcely have read the resolution under which that Select Committee was appointed. A semblance of force may be given to Senator Millen's argument by the heading put to that resolution, not by the mover, but by the Clerks of the Senate. The heading is "Old-Age Pensions—Provision for," and the resolution is as follows:—

1. That, in the opinion of this Senate, in order to provide the necessary money for the payment of old-age pensions, and for other purposes, the Commonwealth Government should undertake the manufacture and sale of tobacco, cigars, and cigarettes.

2. That the foregoing resolution be referred to the House of Representatives, with a message requesting their concurrence therein.

3. That a Select Committee, consisting of six members of the Senate and the mover, be appointed, with power to sit and confer with a similar number of members of the House of Representatives, to inquire into, and report on, the best method of carrying the foregoing resolution into effect.

It will be seen that the Select Committee was not appointed for the purpose of inquiring into the question of old-age pensions, but to inquire as to how the profits of a tobacco monopoly could be best managed by the Commonwealth to provide funds for old-age pensions.

Senator STYLES.—And the motion to-day follows on that resolution.

Senator PEARCE.—Yes; except that the motion to-day does not propose to earmark the money for the purpose of old-age pensions. Every tittle of the evidence taken last year deals directly with the question of the tobacco monopoly. Senator Gray, who is opposed to me on this question, knows that not a single witness was examined in any subject beyond that of the tobacco trade.

Senator GRAY.—Hear, hear.

Senator PEARCE.—The whole of the evidence was incidental to the question of the existence or otherwise of the tobacco monopoly.

Question resolved in the affirmative.

## POST AND TELEGRAPH DEPARTMENT: SALARIES.

Motion (by Senator STEWART) agreed to—

That a return be laid on the table of the Senate giving the following particulars:—

1. The number of officers in each division of the Post and Telegraph Department in each State when taken over by the Commonwealth, and at 30th June, 1905.
2. The number of officers in each division of the Department in each State receiving salaries as under, when taken over by the Commonwealth, and at 30th June, 1905; and the total amount paid per year under each heading:—£700 and over; £600 and under £700; £500 and under £600; £400 and under £500; £300 and under £400; £250 and under £300; £200 and under £250; £180 and under £200; £150 and under £180; £130 and under £150; £120 and under £130; £110 and under £120; £100 and under £110; under £100.
3. The additional expenditure per annum in each State caused by the minimum wage clause of the Commonwealth Public Service Act; and the total to 30th June last.
4. The additional expenditure per annum caused by the operation of clause 19 of the Victorian Act No. 1721; and the total to 30th June last.
5. The amount which would have accrued up to 30th June, 1905, to the employees in the Brisbane General Post Office if the allowance known as "English Mail Money" had not been discontinued; and the sum per man per annum such allowance would have averaged.

## WIRELESS TELEGRAPHY BILL.

Bill returned from the House of Representatives without amendment.

## PARLIAMENTARY EVIDENCE BILL.

*In Committee* (Consideration resumed from 24th August, *vide* page 1410):

Proposed new clause 8 (Resisting arrest),  
Senator WALKER (New South Wales).

—With a view to postpone the consideration of the Bill to a later date, on behalf of Senator NEILD, I move—

That the Chairman report progress, and ask leave to sit again.

Senator PEARCE (Western Australia).—I should like to have some reason given why this Bill should not be proceeded with.

The CHAIRMAN.—I am sorry to interrupt the honorable senator, but there can be no debate on a motion to report progress.

Motion, by leave, withdrawn.

Senator PEARCE (Western Australia).

—It seems to me that it would be a pity to postpone the consideration of what is really the Bill suggested by the Standing Orders Committee, that introduced by Senator NEILD having disappeared. In any case, this measure is now the property of the Committee, and we should go on with it, in order that as soon as possible it may be sent to another place. A Select Committee has recently been appointed by the Senate, and if there is any doubt as to the powers of Select Committees to take evidence it is as well that it should be cleared up at once.

Senator KEATING (Tasmania—Honorary Minister).—When this Bill was last before the Committee Senator NEILD was in charge of it, and on the motion that the Committee have leave to sit again, the honorable senator fixed this date for the resumption of its consideration. Ministers have had no direct communication with Senator NEILD as to his intentions, and do not know whether it is the wish of the honorable senator that any one else should take his place in connexion with this measure. I suggest that the best plan to adopt would be to report progress, and make the further consideration of the Bill in Committee an order of the day for this day week. In the meantime I will undertake to communicate with Senator NEILD, and inform him that on Thursday next the Bill will be definitely proceeded with. The honorable senator will be thus given an opportunity to consult with any other honorable senator he would like to take his place in connexion with the measure. It is true that the Bill is the property of the Committee, but in the circumstances, and in view of the fact that Senator NEILD may have some amendments to suggest, we shall, I think, best conserve the rights of the Committee and of Senator NEILD by adopting the course I have suggested.

Senator GRAY (New South Wales).—I would suggest that the further consideration of the Bill should be postponed for a fortnight. I am personally aware that Senator NEILD's illness is of so serious a nature that it is unlikely his medical attendant will permit him in so short a time to attend to his political duties.

Senator STEWART (Queensland).—I understand that Senator NEILD has been given two months' leave of absence, and is seriously ill. It is not, therefore, at all likely that the honorable senator will be

able to take up the Bill again this session. It is now the property of the Committee, and it is very desirable that it should be passed. We do not know when it will be necessary to invoke the provisions of a measure of this kind to enable Select Committees already appointed to obtain evidence.

Senator MILLEN (New South Wales).—I quite indorse the views expressed by Senators Pearce and Stewart as to the desirability of placing on our statute-book some law relating to the taking of evidence by Select Committees. Honorable senators, however, must recognise the inconvenience of having a Bill before us without anybody in particular in charge of it. Whilst I very much regret that it is unlikely that Senator Neild will be able to conduct the further proceedings connected with the passing of the Bill, by postponing its further consideration for a week or a fortnight, Senator Keating will be enabled to do what he has undertaken to do—to look into the matter, and to communicate with Senator Neild. Senator Neild will also, in the meantime, be enabled, if he so desires, to place in the hands of any other honorable senator the data on which the Bill is founded. The suggestion made by Senator Keating will, I believe, be found ultimately to expedite the passing of the measure.

Progress reported.

## NEW GUINEA: CASE OF MR. O'BRIEN.

Debate resumed from 31st August (*vide* page 1736), on motion by Senator STANFORTH SMITH—

That the papers having reference to the administration of justice in British New Guinea, laid on the table of the Senate on 24th August, 1905, be taken into consideration, and that the Government be asked to institute further inquiries.

Senator PLAYFORD (South Australia—Minister of Defence).—Senator Smith, in bringing forward this motion, simply asked that the Government should make further inquiries respecting a letter which was published by the Acting Resident Magistrate in New Guinea, relating to the case of a man named O'Brien, who had escaped from custody after very seriously injuring the constable who was placed in charge of him. In this effusion, the Resident Magistrate says—

I am sending over four police, who will live in the police house on the field for four or five days, until I get definite news of O'Brien. In the event of any one having reliable news of

O'Brien's whereabouts, close to the field, these police will be able to arrest him. Should O'Brien appear to any man of the field, such man is perfectly justified in ordering him to stand or go in front of him to police, and if O'Brien fails to do either of these things, he may be shot.

Senator Smith commented very strongly on this, and said that it practically outlawed O'Brien, and rendered him liable to be shot on sight. This man appears to be an unmistakably bad lot. He had given notice that if any persons attempted to arrest him he would shoot them.

Senator STANFORTH SMITH.—To whom did he give that notice—to a Government official?

Senator PLAYFORD.—That was the current report, and it is said that he threatened the lives of many men.

Senator STANFORTH SMITH.—There is no evidence of that.

Senator PLAYFORD.—I have no desire to go into the question fully, but I refer to the character of this man, as some slight justification for the Resident Magistrate's action. The Resident Magistrate in New Guinea says—

3. O'Brien was personally arrested by me at the Yodda Valley on 16th April last to answer the following charges:—Assault, three charges; robbery of gold to the amount of £1,000; shooting with intent to murder, two charges; arson, two charges; rape, one charge; unlawfully destroying dogs and pigs, the property of natives, six charges.

4. Complaints were likewise made by the managers for Messrs. Whitten Bros., Bogi and Yodda branches, that O'Brien was continually threatening to murder them.

5. A charge of wilful murder is also pending against O'Brien; the witnesses, however, have to be brought from another part of the Possession.

6. O'Brien was placed in leg-irons at night time at the Yodda by European officer of Armed Native Constabulary, R. L. Bellamy, acting under my orders.

A man charged with murder, rape, arson, and so on must be a particularly bad character, that is, if there is any truth in the charges.

Senator STANFORTH SMITH.—That is a very different thing. Every man is held to be innocent until he is proved guilty, and, so far, O'Brien should be held innocent of these offences.

Senator PLAYFORD.—Very possibly. He was proved guilty of certain charges and sent to gaol, where he attacked a constable with a tomahawk and very nearly killed him, taking away his rifle and clearing out.

Senator HIGGS.—Was he a white constable?

Senator PLAYFORD.—I believe he was not. All the statements made respecting this man are answered categorically by the Government Resident. The Government are not opposed to making further inquiry, because on looking through the papers no reference is made to the very outrageous letter which the Acting Government Resident wrote.

Senator STANFORTH SMITH.—That is the sinister part of it.

Senator PLAYFORD.—It was never made the subject of complaint on behalf of a number of miners. It is very singular that it is not alluded to in any of the papers. Only the facts of O'Brien's career have been commented upon by the Government Resident.

Senator STANFORTH SMITH.—It was commented upon by twenty-three out of thirty-four miners, as the papers disclose.

Senator PLAYFORD.—In the papers I did not see the slightest reference to the letter, and if there is such a reference I should like my honorable friend to point it out to me. That the whole of the miners are not of the opinion which he would lead us to believe they hold, is proved by the fact that seventeen of them wrote in the following terms:—

Sir,

We, the undersigned residents of the Yodda, fearing, from the fact of a meeting being held so soon after O'Brien's escape, that you may be under the impression that the residents here condone his offences, and sympathize with the escaped prisoner O'Brien, we, as law-abiding citizens of the Yodda, consider it our duty to assure you we neither condone his offences nor sympathize with escaped prisoner O'Brien, and, having every confidence in you, beg to assure you of our firm support in all your efforts to uphold law and order.

I have informed the honorable senator of what has been done, and no doubt that will satisfy him. I understood him to say, in his opening speech, that if the Government would promise to ask Chief Justice Murray to furnish a report on the whole matter, especially with regard to the letter of the Acting Government Resident, dated the 18th May, the miners would be satisfied. The Administrator has been asked to make inquiry respecting the authority for Mr. Griffith's letter, and to obtain a report from the chief judicial officer as to the sufficiency of that authority. When we get the report I shall take care that a copy of it is furnished to the honorable senator.

Senator HIGGS (Queensland).—After the promise of the Minister of Defence, I do not propose to take up much time. He has not referred to the request of the miners that they should have trial by jury, nor has he expressed any opinion as to the practice of putting Papuans as policemen over the white miner when he happens to be in gaol in fault. The miners have expressed very strong opinions about this practice. In a letter sent to me, as well as to Senator Smith, they have pointed out their objection, which is, I think, a sound one.

Senator GRAY.—Does not the honorable senator think that a Papuan has a right to be a policeman?

Senator HIGGS.—I do not think a Papuan is sufficiently educated or advanced to be able to act properly as a guardian over a white man.

Senator GRAY.—The white man is over the Papuan.

Senator HIGGS.—Does not the honorable senator place himself in a little higher category than that of the Papuan?

Senator GRAY.—When the white man goes to the Papuan's country, it is a different thing altogether.

Senator HIGGS.—Those of us who objected to the taking over of British New Guinea are confirmed in our objection by this unfortunate business. By that act we landed ourselves in a sea of troubles. The Possession is not self-supporting. The Commonwealth appropriates £20,000 a year to carry on the administration, but apparently that is not sufficient to enable the authorities to place white constables over white prisoners. Those positions are held by one-fourth educated Papuans. The Minister of Defence took up a most extraordinary attitude when he said that, because a man has a number of charges alleged against him, such as arson, theft, and assault, he must be a bad character. I observe that persons who are brought up in the Possession have a list of offences against them as long as one's arm, and embracing all the crimes in the calendar. The officers who send down reports about persons like O'Brien, of having been guilty of so many offences, really brand themselves with incompetence. How is it that a man happens to be at large in the Possession when he has been guilty of so many alleged offences? The Government ought to push on with the British New Guinea Bill, and allow the miners to have electoral representation in the Legislative Council. I believe that that reform in the system of



government would very soon lead to the removal of a number of the grievances under which they now labour.

Senator MILLEN (New South Wales).—The Government have undertaken to make further inquiry concerning one point. But I would like to emphasize the undesirability of appointing natives as constables in charge of white offenders.

Senator PLAYFORD. — The Government Resident said that O'Brien was not in charge of a black man, but had white gaolers all the time.

Senator MILLEN. — That interjection renders it unnecessary for me to continue my remarks, but I did not hear the honorable member make the statement previously.

Senator HIGGS.—If O'Brien was under the control of white gaolers, how did he come to assault the kanaka constable?

Senator MILLEN.—One might reasonably ask how it is that any man could be at liberty long enough to commit the long series of offences which have been read against O'Brien. When I heard it read, I was not at all surprised that he did clear out, as it seemed to me the only sensible thing for him to do. I hope the Government will ascertain, not only whether O'Brien was under the control of a coloured constable, but also whether it is the practice to commit white offenders to the custody of Papuans. We have been asked by interjection why Papuans should not be placed in this position. The simple answer I would advance is that, not only in British New Guinea, but elsewhere, whites hold their position largely by prestige. It seems to me that that prestige will be undermined if the natives become familiarized to the fact that they occupy a position not nearly equal, but on certain occasions superior, to that of white men. It is not desirable that we should do anything to induce a feeling of that kind, for it is quite conceivable that if we whittle down the prestige which gives us our main hold on the natives, it may lead to very serious trouble at a later date.

Senator GRAY (New South Wales).—The interjection I made may be misconstrued. I do not object to white men being constables over white men; but, as there are no white constables, I cannot see why a man, even though he is not white, should not have the necessary power given to him to uphold the law. In the circumstances, it is quite proper for the Adminis-

tration to employ men who, perhaps, have led as good lives as even miners, to repress crime.

Senator PULSFORD (New South Wales).—It appears to me that Senator Higgs has taken up a rather peculiar position. We have heard that a native constable has allowed himself to be nearly butchered instead of shooting his assailant dead, as a white constable would have done. But the sympathy of Senator Higgs is given to the white man who attempted the butchery, and not to the man who was nearly butchered. I do not understand his point of view at all. The whole circumstances of this case need further investigation, and I shall be very glad if it is undertaken.

Senator STANFORTH SMITH (Western Australia).—I have to thank the Government for agreeing to my request that a judicial inquiry should be held. I am sure that no better person could be selected for that duty—in the opinion of the miners and of the Government—than the Chief Justice of the Possession. At the same time, I do not think Senator Playford adopted a judicial attitude and put the case in as unbiased a manner as he might have done. He made a most violent attack on the alleged offences of O'Brien.

Senator PLAYFORD.—I only wanted to put the other side of the question. The honorable senator's statement was in favour of the prisoner.

Senator STANFORTH SMITH.—I do not think so. I attempted neither to palliate nor to deny anything.

Senator PLAYFORD.—The native constable was sitting down with a rifle in his hand when the other fellow sneaked up from behind and chopped him down with a tomahawk.

Senator STANFORTH SMITH.—According to the honorable senator, O'Brien must be a perfect fiend in human form, for that is the only inference which can be drawn from his remarks. He said that O'Brien murderously attacked his guard, presumably with the intention to kill him. Although that guard happened to be a coloured man, yet the honorable senator said a few minutes afterwards there were no coloured guards. That contradicts not only the magistrate's statement but his own. Senator Playford did not state that the guard seriously injured O'Brien, but the evidence shows that he was wounded first.

Senator PLAYFORD. — The guard said that O'Brien came on him sneakingly, and struck him with the sharp edge of a tomahawk.

Senator STANFORTH SMITH.—The honorable senator read out a list of most atrocious crimes, alleged against this man. The charge of attempted murder refers to the *fracas* with the guard, who, it is stated, was nearly killed, although it is interesting to know that he was able to walk to the station, and a few days afterwards he was giving evidence, so that he could not have been very badly injured. Putting aside the question of the murderous attack, which was related in such a thrilling manner by Senator Playford, we have the charge of robbery of £1,000. The grounds of the charge were that O'Brien happened to be in the neighbourhood at the time of the robbery. But the owner of the gold publicly stated that he was satisfied that O'Brien was not the thief. Surely the owner would be the last man to acquit him, unless he was perfectly satisfied on the point. When we come to look into the charge of arson, we find that it amounts to the burning of a trumpety bush shed. It must have struck the Senate that Senator Playford adopted rather a biased attitude. I do not say whether O'Brien is, or is not, a decent member of society. He may be a despicable character if we take the version of the authorities, or a violent-tempered but good-hearted man, if we take the miners' version.

Senator PLAYFORD.—He stated, in effect, "I am fully armed and will shoot any man who tries to arrest me."

Senator STANFORTH SMITH.—But we cannot take the evidence of a third party. That is merely the statement of a man who said that O'Brien used those words.

Senator MILLEN.—From whom could we get evidence on that point then?

Senator STANFORTH SMITH.—From O'Brien himself, certainly, as well as the person who heard the words used. Senator Playford also alleged that there was a petition signed by seventeen men, who neither condoned the offences of O'Brien nor sympathized with him. I am not aware that any white man or any coloured man in British New Guinea did condone actual offences, or would sympathize with the man who committed them. But it is significant that of those seventeen men,

four signed a petition to the Minister of External Affairs. With regard to the statement that white prisoners have white gaolers, I desire to say that, as a matter of fact, they do not. There are a resident magistrate and two assistant residents, one of whom may theoretically be regarded as a gaoler. But the man who actually watches the prisoners and looks after them, is one of the black constabulary; and when a white prisoner is put to a menial occupation like scrub-cutting, work which is never done in New Guinea except by a coloured man, and when the white man has a coloured gaoler standing over him, possibly insulting him—though I am sure that the Resident Magistrate would punish any gaoler who was guilty of doing that—he is subjected to treatment which is calculated to create resentment.

Senator MILLEN.—Is that the evidence of O'Brien, or of a third party?

Senator STANFORTH SMITH.—I am stating what is possible. Our Government in British New Guinea rests on our prestige. The natives believe that a white man is very much more powerful than one of themselves, and that if they kill a white man his spirit is much more powerful than theirs. The reason of our success in British New Guinea up to the present—and it is a success of which we can be proud—is that the natives have always recognised the power of the white men, and have never risen against them. We have never had occasion to send one white soldier into British New Guinea. Although we have 400,000 natives, trained to arms, many of them cannibals, and some head hunters, we have had very little difficulty with them. That is largely due to the magnificent administration of Sir William McGregor and those appointed by him. But directly the natives begin to feel that they are equal or superior to white men, and can make white men work and do as they like, our prestige disappears. Up to the present we have had the loyal co-operation of the white miners in maintaining law and order.

Senator GRAY.—The honorable senator's statement as to prestige is correct, but he wants to disparage the black man as compared with the white.

Senator STANFORTH SMITH.—I think that as a matter of policy no white man should ever be put in charge of a coloured gaoler. I saw O'Brien in New Guinea. I do not think I said half-a-dozen

words to him, but certainly I was not led to believe that he was such a murderous ruffian as Senator Playford makes out.

Senator MILLEN.—The honorable senator escaped, evidently!

Senator STANFORTH SMITH.—My presence here is proof of that.

Senator PLAYFORD.—What has become of O'Brien?

Senator STANFORTH SMITH.—He may have been shot under the mandate of the Assistant Resident Magistrate who outlawed him. I trust, at any rate, that the Government will submit to the chief judicial officer or the Administrator the question of whether it is not inadvisable to have coloured gaolers placed in charge of white prisoners.

Senator PLAYFORD.—They deny that there were any coloured gaolers in this case.

Senator STANFORTH SMITH.—It is simply idle to say that, when the honorable senator knows that the man who stood over O'Brien with a rifle was a native, and that O'Brien overcame him and took the weapon from him.

Senator MILLEN.—Is there not clearly a discrepancy?

Senator STANFORTH SMITH.—There is a number of discrepancies. For instance, one of the miners is reported to have stated to the magistrate that whatever he did he should be careful to keep O'Brien safe, because he was such a dangerous man. A few paragraphs further on in the same letter it is stated that this man was a great friend of O'Brien. Evidently that is a contradiction. There is a white gaoler at Port Moresby, which is only seventy miles away from the field, though certainly it is over the gap, which is a very difficult climb. There is also a white gaoler at Woodlark Island. I think that the Government might ask the chief judicial officer or the Administrator if it would not be advisable to send white prisoners to one of those places. I am sure that would give satisfaction to the miners, and would not result in the loss of prestige which undoubtedly will occur if natives are put over white men.

Senator PLAYFORD.—We will refer the report of the debate to the Administrator, and direct attention to the honorable senator's speech.

Question resolved in the affirmative.

## HOME RULE FOR IRELAND.

Debate resumed from 3rd August (*vide* page 546), on motion by Senator DAWSON—

That, in accordance with the most treasured traditions of British Governments and British justice, and for the cementing of the Empire into one harmonious whole, this Senate is of opinion that Home Rule should be granted to Ireland.

Senator DE LARGIE (Western Australia).—In the absence of Senator Mulcahy, who moved the adjournment of the debate on this motion, I rise to support it. I consider that it is a great privilege to have an opportunity to say a word or two in support of the principle of Home Rule. It is in accordance with the fitness of things that a democratic House of Legislature, such as the Senate undoubtedly is, should pass a motion of this nature. If there is any people in the world who can speak with authority on the advantages of self-government, it is the Australians. From our long experience of it, there can be but one conclusion—that self-government is beneficial to a people who have the making of their own laws in their own way. I cannot understand how any Australian can find anything to say against this principle. I cannot understand how people who have the privileges and rights of self-government themselves should not desire to do everything possible to extend those rights to other people, more especially in the case of a country like Ireland, where the lack of self-government has undoubtedly wrought more disaster than in any other country in the world.

Senator WALKER. — Not excepting Poland?

Senator DE LARGIE.—I do not think that even Poland or any country under the Government of Russia has suffered as Ireland has done from the absence of self-government.

Senator GRAY. — The honorable senator does not believe that!

Senator DE LARGIE.—I think I shall be able to prove that, notwithstanding all that has been said about Russian misrule in Poland and Finland, the population of those countries has increased; and that is more than can be said for unhappy Ireland, where the population has decreased by something like one-half during the last fifty or sixty years. If the populations of Poland and Finland have increased—and I shall be able to show that they have—whilst the population of Ireland has decreased, then, whatever may be said about Russian

misrule, there is clearly something to be said on the other side. Before going further, I wish to say that this motion would be improved if it were differently framed. Seeing that another place is moving in the same direction, it would, I think, have been advisable to place this motion in the form of an address to the King, so as to make the action of both Chambers uniform. An address of this kind to His Majesty appears to me very fitting, because it is generally understood that the King is very sympathetic in his attitude towards Ireland. That is an additional reason why it would be better if Senator Dawson had consulted honorable members of another place with a view to unity of action. So far, the only argument that I have heard against the motion is that we in Australia ought not to interfere in the affairs of the Empire. It is rather too late in the day to take up such a position. So long as we are part and parcel of the Empire, we are entitled to take the responsibility of expressing our opinions on Imperial questions; and this is a most important matter from the standpoint of the Empire. Indeed, I know of none more important, and therefore I claim that the Senate has every right to pass a motion of this kind.

Senator WALKER.—Will the honorable senator kindly define what he means by Home Rule?

Senator DE LARGIE.—The Bill introduced in the Imperial Parliament by the late Mr. Gladstone has been the subject of debate for the last twenty years, so that there can be no doubt as to the meaning of Home Rule. That Bill laid down a scheme of government for Ireland, and it supplies me with the definition asked for by Senator Walker.

Senator PLAYFORD. — Under that Bill, Irish representatives in the British House of Commons were to be entitled to legislate on Imperial questions.

Senator DE LARGIE.—I recognise that that was a flaw in the Bill, but considering the attitude of the Irish representatives and people on the point, it is a flaw which could be removed without much difficulty. It is hard to understand how the House of Commons could be constituted with members having the right to legislate on Imperial matters, but excluded from dealing with the business connected with England, Scotland, and Wales. That would be a clumsy way to conduct parliamentary business; and certainly a Government would find itself in a very strange position with

members on whose support they could not count on domestic questions. But, as I say, there have been numerous proposals made since then which point a way out of the difficulty. It is to be deeply regretted that a question of this kind cannot be discussed without the danger of insulting references to one's political opinions. I am sorry that Senator Fraser is absent, because I am about to offer some criticisms of the attitude which he took up when this motion was first introduced. Senator Fraser then referred to Home Rulers as enemies of England. The honorable senator did not discriminate in any way, but classed all Home Rulers alike, and added that he made the charge advisedly and deliberately. The absurdity of the charge, however, is recognised when we consider the vast numbers of worthy subjects of the Empire who are in favour of Home Rule for Ireland; and I am satisfied that Senator Fraser was guilty of mere extravagance of language. Senator Fraser argued that because Irishmen were "against the flag," more particularly in reference to the South African war, they were disloyal to the Empire. But if criticism of a war of the Empire constitutes disloyalty, then amongst the disloyal we must class Mr. Campbell-Bannerman, leader of the Liberal Party in the House of Commons, Mr. John Morley, one of the leading Liberals, the late Sir William Harcourt, and nearly all those who are or were the leading lights on the Liberal side of politics at home. Even if Senator Fraser's remark was intended to apply only to Irishmen, it was quite uncalled for. Irish Home Rulers have as much right to criticise a British war as have any subjects of the Empire. We do not exempt Home Rulers from the responsibility of contributing to the cost of our wars, or from taking their fair share of the fighting, some of the hardest fighting regiments in the Boer war, from beginning to end, being Irish, more particularly the Dublin Fusiliers. These facts only show the utter unfairness of the charge of disloyalty made by Senator Fraser. If the charge was made deliberately, in the belief that it is true, I can only feel sorry for a gentleman who can hold such views, and regard any opinions from him on a question of this kind as of very little value. It may be, perhaps, that some allowance should be made for Senator Fraser in the use of extravagant language on a subject of this kind. Another remark made by the honorable senator was that there are two Irelands—one prosper-

ous, and the other poverty-stricken and discontented. A great deal more is made of the minority opinion in Ireland than is quite justifiable. At least three of the four provinces are absolutely solid on the question of self-government. Every parliamentary representative returned for those three provinces goes to the House of Commons on the distinct understanding that he must endeavour to bring about Home Rule as early as possible, and at least one-half of the representatives from the fourth province hold the same opinion. There are, therefore, no two Irelands, or, at all events, if there are, one is very small, and the feeling against Home Rule there is a diminishing quantity.

Senator WALKER.—In the event of Home Rule being granted, does the honorable senator favour the presence of Irish members in the House of Commons?

Senator DE LARGIE.—I should not think that, with Home Rule, there would be Irish members in the House of Commons. I have already explained that several schemes have been propounded for getting over that difficulty. In any case, that and kindred questions are matters of detail, which I do not think it wise for us to debate. Several of the most prominent advocates of Home Rule have refused to go into detail, contending that all it is necessary to obtain at present is a recognition of the principle. There is no doubt that public opinion in Ireland is changing on this question, and an extract from a Glasgow newspaper, which I propose to read, will show that there are no two Irelands in the sense suggested by Senator Fraser. The *Glasgow Observer* of the 22nd July of this year contains the following:—

#### ORANGE AND GREEN.

##### REMARKABLE APPEAL BY ORANGEMEN.

The Press Association's Belfast correspondent telegraphs:—A remarkable manifesto has been issued by the Independent Orange Order of Ireland. The manifesto, which is signed by Mr. T. H. Sloan, M.P., Mr. Lindsay Crawford, the Imperial Grand Master, and other officials of the institution, is addressed to all Irishmen, both Protestant and Roman Catholic, whose country stands first in their affection; and, after dealing with land and labour, town tenants, the financial position of the country, and redistribution of seats, concludes as follows:—"Castle government stands self-condemned. We do not trust either of the English parties on any of the questions that divide Ireland, and we are satisfied that both Liberals and Tories will continue in the future, as they have done in the past, to play off Irish Protestants and Nationalists against each other to the prejudice of our country. This being so, we consider that it is high time that

Irish Protestants should consider their position as Irish citizens and their attitude towards their Roman Catholic countrymen, and that the latter should choose once for all between nationality and sectarianism. In an Ireland in which Protestant and Roman Catholic stand sullen and discontented it is not too much to hope that both will reconsider their positions, and in their common trials unite on a true basis of nationality. The higher claims of our distracted country have been too long neglected in the strife of party and of creed. There is room in Ireland for a patriotic party with a sound constructive policy that will devote itself to the task of freeing the country from the domination of impracticable creeds and organized tyrannies, and to securing the urgent and legitimate redress of her many grievances."

Senator GRAY.—What is meant by organized tyrannies?

Senator DE LARGIE.—I am reading an extract, and I leave each honorable senator to take his own meaning from it. It is not for me to define terms for Senator Gray, who is old enough to be able to decide what an expression means, without any assistance from me.

Senator GRAY.—Is it an expression of loyalty?

Senator DE LARGIE.—What I have read is a manifesto published by an Orange Lodge, and signed by its leading men, Mr. Sloan, M.P., and Mr. Lindsay Crawford, Grand Master. It is stated here that the manifesto was also signed by others, but the names of two persons only are given. It is the opinion of this organization that "Castle government" stands self-condemned, and that political parties in England have all along been merely playing one section of the people in Ireland against the other. The people of the North of Ireland are showing a desire to bring this kind of thing to an end, and, in view of that fact, we, in this Senate, should have no doubt as to what our opinion on the question should be. If this manifesto is a true indication of the feelings of the people in the North of Ireland, I hail it as one of the most welcome documents which has appeared for many years in connexion with Irish affairs.

Senator GRAY.—It really advocates separation.

Senator DE LARGIE.—It does nothing of the kind. The word "separation" is not mentioned in the document from beginning to end.

Senator PLAYFORD.—Nor is there any reference to Home Rule.

Senator DE LARGIE.—It merely says that two sections of the people in Ireland who have so long been fighting against each

other in Kilkenny-cat fashion, should be brought into one party, and should be prepared to work together for the good of their country.

Senator GRAY.—As against the "Castle" party, which represents the King.

Senator DE LARGIE.—Those who sign this manifesto say the "Castle government" stands condemned.

Senator GRAY.—That is the King.

Senator DE LARGIE.—I have a higher opinion of the King than to imagine that he has any sympathy whatever with the form of government which is so well known in Ireland under the term of "Castle government."

Senator GRAY.—The King is represented in Ireland in just the same way as he is represented here in Australia.

Senator DE LARGIE.—If Senator Gray had ever lived in Ireland, or had ever read anything of Irish history, he would not make such a statement. It is ridiculous to compare the government of the Commonwealth or of any of the States with the government in Ireland.

Senator GRAY.—I was not comparing them.

Senator DE LARGIE.—They cannot be compared. In this document, signed by Orangemen of Ulster, it is clear that they are beginning to realize that they have been long enough made tools of, and are now endeavouring to bring about a better state of affairs. My opinion has long been that the opposition of different sections in the North of Ireland has been continued in existence and fostered for one purpose, and for one purpose only, and that is to keep the people apart. It has been fostered by the landlord class, whose interest it has been to keep the people apart, so that they may drag rents and the profits of the farmers' work from this hard-working class. I take it that there are farmers amongst the Orangemen of Ulster as well as amongst the Catholic population of the province, and they are now evidently beginning to see that they have been made catspaws of in the past. It is now clear that they believe that an end should be put to such a condition of affairs, and that is a good sign. We have, from time to time, heard a very great deal about the prosperity of Ulster. We have been told that that part of Ireland is advancing in prosperity by leaps and bounds. I have endeavoured to find out if these statements are true. I have had a little experience in Ireland. When I had reached the age of manhood, and was

quite capable of forming an opinion, I visited the North of Ireland, and, later on, I made a visit to the South of Ireland. I worked for some time in the iron ore mines of Antrim, in the North of Ireland, and was sufficiently long in that part of the country to gain an insight into Irish affairs as presented by existing conditions in the North of Ireland. I am able to say that I found there was quite as much poverty and distress in the North of Ireland as I afterwards saw in the county of Wicklow, the part of the South of Ireland which I visited. In the light of my experience of the country, the continual references to the prosperity of the North of Ireland have come as a surprise to me. Senator Fraser, in making his statement on the subject, did not think it necessary to advance any proof. I propose to subject the honorable senator's remarks to some criticism, and to give figures bearing on the question which will put a different complexion on them. Taking Mulhall's *Dictionary of Statistics* as my authority, I find that according to the census returns, during a period of twenty years from 1871 to 1891, there was a loss of population in the province of Ulster of 220,000; and during the same period a smaller loss is shown by the figures for each of the other provinces. For Leinster the figures are 218,000, Munster 148,000, and Connaught 121,000. These figures relate to a period within that referred to by Senator Fraser, who told us that within the last fifty or sixty years the North of Ireland had been going ahead by leaps and bounds. If we take a longer period, and go back to the census year of 1841, and up to the latest census year of 1901, a period of sixty years, we shall find that Ulster lost something like 800,000 people. That is surely a marvellous proof of prosperity! Here we have a province with a population of some 2,000,000, losing nearly half that number during a period of sixty years. If that is a sign of prosperity, God help the country afflicted with it. Such a loss of population, wherever it takes place, is a proof that there has been no prosperity. I have had great difficulty in getting information bearing on the statement made by Senator Fraser. I recognise that it is true that Belfast has, within the last fifty or sixty years, made great strides.

Senator WALKER.—Can the honorable senator favour us with the figures for Belfast?

Senator DE LARGIE.—I have not the figures for the city itself. The only figures I have been able to get cover the whole of the province. We must remember that Belfast is not Ulster any more than Ulster is Ireland, and the statistics of a city may give no indication of the condition of affairs over a whole province, like Ulster, in which there are nine counties. I quote now from a paper presented to the British Parliament by the Home Office, and, taking the figures relating to the income tax assessments in Ireland, I find that they do not place this much-belauded Ulster at the top of the list. It is nearer to the bottom of the list. According to this parliamentary paper, Leinster paid £10 6s. 9d. per head of population in income tax, Munster paid £6 os. 7d., Ulster (second last on the list) paid £5 14s. 5d., and Connaught £3 13s. 7d. These figures do not show any great prosperity in Ulster. In a table appearing in the same parliamentary paper, showing the income tax paid on profits made in professions and trades in the various provinces, I find Leinster again at the head of the list with £4 2s. 6d. per head.

Senator WALKER.—Leinster includes the capital, Dublin.

Senator DE LARGIE.—Ulster is second with £1 9s. 1d., and honorable senators will admit that it is a poor second when they notice the difference between the amounts.

Senator WALKER.—“Castle” influence seems to have been of advantage for Leinster.

Senator DE LARGIE.—There is “Castle” rule all over the island, as well as in Dublin. Munster paid £1 7s. 1d., and Connaught 6s. 1d. The figures which I have quoted will not prove Senator Fraser’s statement as to the prosperity of Ulster. They show that it is far from being in a state of prosperity, and is not even the most prosperous of the provinces of Ireland. There can be no doubt, speaking generally, that there is very little prosperity in any of the provinces. This is not to be wondered at when we remember the way in which its industries have been destroyed. The commercial and industrial history of Ireland is indeed most dismal reading. That honorable senators may have the facts placed before them as concisely as possible, I propose to quote from a work, *Modern Ireland: Its Vital Questions, Secret Societies, and Government*, by an “Ulsterman.”

Senator GRAY.—Who is the Ulsterman?

Senator DE LARGIE.—I do not know, but I have taken the book from the Library, and Senator Gray will be able to peruse it for himself. The author says—

“If we were to state to an Irish gentleman,” wrote Mr. Eden, “the long continued poverty and idleness which have prevailed over so large a proportion of his countrymen, he would probably answer:—‘All this may be very true, but the monopolizing spirit of our sister kingdom is the cause of it; that spirit exercising itself upon Ireland in a very early state of her civilization, nipped her disposition to industry, and, indeed, made it impossible for her to become industrious. In the very infancy of our country, and whilst we were contenting ourselves with the exportations and sale of our cattle, you made an Act to prohibit those exportations. We next gave our attention to the increase of our sheep, in order to export wool, but you forthwith prohibited the exportation of wool, and made it subject to forfeiture. We then endeavoured to employ and support ourselves by salting provisions for sale; but you immediately refused them admittance into England, in order to increase the rents of your lands, though you thereby increased the wages of your labourers.’”

Senator GRAY.—To what date was he referring?

Senator DE LARGIE.—I can give the dates of the various Acts to which he was referring.

Senator PLAYFORD.—He was referring to the sixteenth, seventeenth and eighteenth centuries, and not to the nineteenth century.

Senator GRAY.—The same remarks would apply to all other countries.

Senator DE LARGIE.—One by one the writer takes the Acts which have been directed by the British Parliament against Irish industries. I do not wish to protract my remarks by citing their titles, but Senator Gray can see the book presently, and if he finds that it contains an incorrect statement, he will have an opportunity to supply a correction.

Senator GRAY.—I do not doubt the accuracy of the statements. I only wished to know what time the writer was referring to.

Senator DE LARGIE.—The book was published in 1868. Continuing, the writer said—

“We next began the woollen manufacture; but it was no sooner established than destroyed; for you prohibited the exportation of manufactured woollens to any other place than England and Wales, and this prohibition alone is reported to have forced 20,000 manufacturers out of the Kingdom.”

Surely, in the face of these statements as to want of prosperity, there is good reason for me to urge that Home Rule should be

granted to Ireland. This want of prosperity was due to the Acts of a foreign Parliament, which stands condemned by these enumerations—

“The Navigation Act had unwittingly but kindly permitted all commodities to be imported into Ireland upon the same terms as into England; but, by an Act passed three years afterwards, the exportation of any goods from Ireland into any of the plantations was prohibited, and, as if that had not sufficiently crippled the benefits given by the Navigation Act, we were soon afterwards forbid to import any of the enumerated commodities from the plantations into Ireland. This restriction, too, was much enforced by subsequent Acts, and the list of enumerated goods was much increased. I say nothing of your regulations respecting glass, hops, sail cloth, &c., and other inferior barriers and obstructions to our commerce.”

If Senator Gray will study this book he will obtain useful information. All the Acts are cited in the foot-notes, and the honorable senator can inform himself as to the operation of the provisions of any particular measure.

Senator PLAYFORD.—They have all been repealed.

Senator DE LARGIE.—I dare say they have, and I am inclined to think it was a case of making fast the stable door after the steed had gone. But the bad effects of these laws have not been repealed, and never shall be repealed, until Ireland has the right to make her own laws, and work out her own destiny.

Senator PLAYFORD.—There is no doubt that they produced bad results.

Senator DE LARGIE.—These laws so disheartened the population, that practically all spirit of reliance upon English law has vanished. I do not mean to say that Irish people have become so degenerate that they cannot, when the opportunity is presented, become quite as prosperous and industrious as any other people. In Australia we have very fair proof that the Irishman is quite equal to the Englishman or the Scotchman, that whenever he gets an opportunity he requires no advantages over others in order to make headway.

Senator WALKER. — Especially the North of Ireland man.

Senator DE LARGIE.—Yes. With Scotch blood running in his veins, it would be hard for any man to surpass the North of Ireland man in thrift and industry. The same remark might be applied to all Irishmen. We know that a great many Irish people emigrate to the United States. When they are left untrammelled, and

stand upon the same footing as other people, Irishmen display their inherent good qualities. I propose to read an extract showing what the American opinion of this race is.

Senator GRAY.—The honorable senator does not mean to assert that there are the same facilities and opportunities in Ireland as in America?

Senator DE LARGIE.—Certainly not. The Irishman lives in poverty and distress in Ireland, but when he crosses the Atlantic he becomes industrious and prosperous. I cannot conceive that it is the mere passage across the ocean which changes his whole nature. In the new country he is buoyed up with some hope of becoming prosperous and contented.

Senator GRAY.—The same remarks apply to immigrants from other countries.

Senator DE LARGIE.—I do not think that other immigrants are so successful in America as Irishmen.

Senator GRAY.—The Germans are.

Senator DE LARGIE.—Well, I think I shall be able to demonstrate that even the German does not become as prosperous as the Irishman in the United States. But be that as it may, I propose to read an extract in order to show that the history of the Irishman is not a chapter of defeat and disaster, and that wherever he gets an opportunity he is quite able to take his part in the industrial life of a country, where the conditions are fair. The extract I propose to read is taken from a New York newspaper called the *Evening Post*, which was published on the 10th November, 1903. It reads as follows:—

A novel analysis of the last census returns has been made by the Massachusetts Bureau of Statistics of Labour to show the proportion of the different nationalities in the various industries. The result shows such a predominance of the Irish race that Massachusetts may almost be said to be New Ireland. Just where the old native stock of Massachusetts is left seems problematical, for the foreigners have an overwhelming majority in the industries—and the Irish are a large majority of them—while in the Government service the Irish are more than double all other of foreign birth, and they are about a third more than those of Massachusetts birth or descent. . . . Nine classifications are made under the head of professional occupation, religion, law, medicine, literature, art, music, amusement, education, and science. In every one, except art, the Irish are the most numerous among foreign-born, and the distribution among the different professions in this State doubtless indicates what is probably true of the race in all other States. In science, next to art, the race shows the least relative lead, but under the head of education, which includes thousands of school teachers, they have 3,506



out of 4,700 of foreign descent. So one turns to occupation after occupation and finds similar predominance of the Irish over all other foreign-born.

The census figures bear out the statements in the extract. This quotation ought to show that if a race which is often looked upon as rather thriftless, were granted the blessing of Home Rule, they would become as industrious and thrifty as any other race in the United Kingdom. Considering the awful state of poverty which has existed in Ireland for so many years, I do not think there should be two opinions as to what action shall be taken, if the desire be to restore prosperity to that part of the Empire. Although the population of Ireland is constantly decreasing, still the taxation is increasing. Let us contrast the figures for 1820 with the figures for 1904. In 1820 the annual taxation was only £5,500,000, while the population was 6,800,000; but in 1904 the annual taxation had increased to £9,750,000, while the population had decreased to 4,400,000.

Senator DOBSON.—What inference does the honorable senator draw from that?

Senator DE LARGIE.—From those figures I draw the inference that in Ireland there is the most disheartening state of affairs that perhaps has been witnessed in modern history. I do not think that it is rivalled in any part of Europe. When it is remembered that the annual taxation has increased by 85 per cent., while the population has decreased by 35 per cent., I think it will be admitted that no other country in Europe presents such a depressing picture.

Senator DOBSON.—Are the Irish people more prosperous now than they were?

Senator DE LARGIE.—No; the Irish people are ground down by taxation.

Senator DOBSON.—No.

Senator DE LARGIE.—It has been proved beyond a shadow of doubt that they are. Ten years ago a Financial Committee was appointed by the House of Commons to inquire into the question of taxation in Ireland, and its finding was to the effect that it was taxed to the extent of three millions sterling a year more than it ought to have been in comparison with other parts of the United Kingdom. Although Ireland is so poor, and so heavily taxed, and no ameliorative step has been taken, still, honorable senators seem to be astonished that the Irish people should ask for the right to make their own laws.

Senator WALKER.—Is the honorable senator aware that taxation in Great Britain has more than doubled in the same period?

Senator DE LARGIE.—I am confining my attention to Ireland.

Senator WALKER.—Great Britain is supposed to be more prosperous, but her taxation has increased.

Senator DE LARGIE.—The conditions of union between England and Ireland prescribed that Ireland should pay a share of taxation according to her ability. There is no doubt that she has been paying more than she can afford. Her obligations have increased whilst her population has decreased. It is, therefore, high time that something was done in order that Ireland should get a fair deal in the amount of taxation she has to pay.

Senator WALKER.—But on a population basis she has more than her share of representation in the Imperial Parliament.

Senator DE LARGIE.—There is something in what Senator Walker has said. On a strict population basis, Ireland has more members of Parliament than Scotland has.

Senator DOBSON.—She has thirty more members than her population entitles her to.

Senator DE LARGIE.—She has not thirty more, but the over proportion probably approaches that figure.

Senator WALKER.—It is not a wrong that Ireland has more representation than she is entitled to.

Senator DE LARGIE.—It is a very great wrong, in view of the fact that it is owing to bad laws that Ireland has been depopulated. If she had retained the population she ought to have had, instead of her representation in the Imperial Parliament decreasing, we should have heard something of the necessity for increasing it. Why has her population decreased? Through unjust laws. Why, therefore, should she be robbed of some of her members? And her decrease in population is not a matter of the past. It is still going on. It might have been expected that there would be a loss of population during the years of famine. But even to-day there is a constant drain of people from Ireland. Surely something should be done to put an end to that state of affairs. We have to remember that the loss to Ireland is a loss to the Empire. The great majority of people who leave that country do not come to Australia or go to Canada. The overwhelming

majority emigrate to the United States, and the reasons which cause them to leave their own country harden them against the Empire. They use their opportunities whenever international questions arise for settlement. When arbitration treaties have been proposed between Great Britain and the United States, it has been admitted in both countries that the Irish-American influence has prevented their ratification. That is a direct result of misrule in Ireland. Are we content to allow that state of affairs to continue, or shall we do our best to remove one of the most deplorable factors that operate against the interests of the Empire? There is no country in the world that it would be so much to Great Britain's advantage to have a good understanding with as the United States of America, but that is impossible so long as Ireland is denied the right of self-government. Senator Walker advanced a rather novel argument when he referred to Ireland as being so close to Great Britain that her very proximity should exclude her from self-government. I would remind him that the Isle of Man and the Channel Islands are much nearer to Great Britain than Ireland is. Yet those little communities have self-government, and we never hear a word of suspicion as to its being dangerous.

Senator WALKER.—Have they the same form of Home Rule as Ireland wishes to have?

Senator DE LARGIE.—I do not enter into the question of the kind of self-government that they enjoy. They have a form of Home Rule that satisfies them. I dare say the people of the Channel Islands and the Isle of Man would, if they were discontented, make known their wishes. But if Senator Walker's argument is a good one, I might remind him that the distance between Dover and Calais is only about twenty miles. If we say that the proximity of Ireland to England is an argument against self-government, we might as well object to self-government being enjoyed by France and other countries of Europe. Why not say at once that England alone has a right to govern the earth, that all other nations are intruders! When one hears an argument like that he is reminded of a remark by Mark Twain, that the British people are the only modern race who are singled out for reference in the Bible. He said that he could not but think that the passage, "Blessed are the

meek, for they shall inherit the earth" must apply to the English. The objection to self-government in Ireland, because of its proximity to England, is really an instance of that proclivity for land-grabbing which, I am sorry to say, finds its defenders even in this Senate. Statistics which I have quoted from authorities which cannot be doubted, prove that the condition of any country cannot be worse than that of Ireland is.

Senator GRAY.—As it was, or as it is?

Senator DE LARGIE.—As it is, and as it has been for many generations. I have shown how Ireland has lost her population. I have compared her in this respect with Finland and Poland under Russian rule. There cannot be other than misrule when one country governs another without its consent. Honorable senators may object to our passing this motion, but there is one thing of which they may be sure. Whether Home Rule is granted in this generation or the next, there will be no breaking down the determination of the Irish to win it. If there is one thing more than another that I admire in the Irish, it is the steadfastness and the patient endurance with which, for generation after generation, they have persisted in their struggle for self-government. Every one who takes an interest in the affairs of the Empire must deplore that this open sore has, by bad government, been kept from healing for so many generations. From an Imperial stand-point, and from every stand-point, there is reason for supporting the motion which has been submitted by Senator Dawson, and I hope that the Senate will carry it by such a majority as will show beyond any doubt the feeling of the Australian Senate on this important question.

Senator GIVENS (Queensland).—I do not propose to occupy any considerable time in discussing this motion. It does not seem to be necessary to debate it at length, because its opponents are so barren of argument that we have nothing to reply to. It is useless to try to convince people who have no arguments to bring forward in support of the case which they profess to maintain. There are, however, one or two things that I should like to say in justification of our right to pass a motion of this character. It has been contended that it is altogether beside our duty and out of our province to discuss the question of Home Rule.

Senator GRAY.—Ireland does not interfere with us.

Senator GIVENS.—I ask gentlemen who hold the view I have indicated whether it is not a fact that we in this Commonwealth are an integral portion of the Empire, and interested in the welfare of every part of the Empire?

Senator O'KEEFE.—Was there not interference in South Africa?

Senator GIVENS.—Of course, and a pretty mess we made of that! It is a matter of vital concern to us what takes place within the Empire, and we ought to do what we can to secure the Empire's foundations.

Senator GRAY.—In South Africa?

Senator GIVENS.—Even in South Africa. The way to secure the foundation of the Empire, so as to make it enduring, is not to rely on injustice, which is the most unstable of all foundations. I shall not argue the South African question, but confine myself strictly to what relates to Home Rule for Ireland.

Senator HIGGS.—The Imperial Parliament interferes in our legislation.

Senator GIVENS.—That is so. As Senator Dawson pointed out, this motion merely asks for an expression of opinion. I have no hesitation, and I do not think the Senate will have any hesitation, in expressing an opinion on this question. But I go further, and give utterance to the hope that the opinion, when it is expressed, will have considerable weight with the Imperial authorities. We were told by Senator Fraser, and it was more than hinted by Senator Walker, that Home Rule, if granted, for Ireland would not really mean Home Rule, but something entirely different. There has been imported into the discussion a feeling of sectarian bitterness, which is very much to be deplored. I should have preferred to see the question discussed in its political aspect, entirely removed from any religious or social associations. But as the sectarian view has been touched on, some reply should be given; and although Ireland is the country where I was born, and where nearly all my friends and relatives at the present time live, I feel all the more free to offer some explanation, seeing that my religion is not the religion which seems to be so much condemned by Senator Walker and Senator Fraser. I belong to the Protestant religion, and I can say in the face of all the world that, although I was born in the middle of one of the southern coun-

ties of Ireland, where over three-fourths of the population were Roman Catholics, the utmost good feeling prevailed between the two bodies, and I never witnessed there one quarter of the sectarian bitterness that I have heard in Australia. If Home Rule would mean Rome rule, as those honorable senators would have us believe, it is curious that the strongest advocates of self-government for Ireland during the last half-century have been members of the Protestant faith. Parnell, the great leader of the Home Rule movement in recent years, was a Protestant of Protestants; and if we look at the roll of Irish patriots and agitators we shall find it almost monopolized by men of the Protestant faith.

Senator DAWSON.—Robert Emmett was a Protestant.

Senator GIVENS.—Lord Edward Fitzgerald, Wolfe Tone, and most of the Irish patriots during the last fifty years, have, with a few notable exceptions, been men of the Protestant faith. That fact disposes of the argument adduced by Senator Walker and Senator Fraser that Home Rule would practically mean Rome rule. As a matter of fact, the most trusted leaders of the Irish party to-day in the old country, and outside the old country, are, the majority of them, of the Protestant faith. Those who are possessed, or profess to be possessed, with a fear that Home Rule would create sectarian bitterness in Ireland, and, leading to what they call a religious war, would bring about the usurpation of all power by a foreign religious potentate, have no ground for alarm. I am afraid such arguments are the result of the unconscious sectarian bitterness which lies at the back of the taunts which they utter. Home Rule really means giving to Ireland exactly that measure of self-government which we in the Commonwealth possess—giving the right to the people to manage their own affairs in their own way, so far as they relate to Ireland only. Nobody has ever put forward a demand that Ireland should have the right to manage its own affairs, so far as Imperial interests are concerned. Ireland has always possessed the right to manage Irish affairs, notwithstanding that she has unjustly been deprived of the power to exercise that right. What I mean is that technically and legally Ireland has always possessed the right to manage her own affairs; and when the power to exercise that right was taken away in 1800,

it was done in an illegal and corrupt fashion. If I appoint an agent to do a certain thing for me, that agent cannot destroy me in the process. A Parliament elected by the people to legislate for the people has no legal or technical authority to destroy itself, or take away from the people the right which they possess to govern themselves. When the Irish people gave the mandate to the Irish Parliament, which sat at that time, to legislate for Ireland, they did not give it any authority to divest itself of the power to legislate; and yet that is what the Irish Parliament corruptly did. As I say, the Irish people have always possessed the right to govern themselves, and it only needs the assertion—which would probably have to be backed by force to be effective—to restore that right to them. The right to govern themselves is inherent in the Irish people; and to give them Home Rule now would be only restoring what should never have been taken from them. I am one who believes that Home Rule is needed, not only for Ireland but for every part of the British Empire. Home Rule is just as necessary for Scotland, Wales, and England as for Ireland.

Senator DAWSON.—There is Home Rule in London, under the London County Council.

Senator GIVENS.—That is only a small measure of Home Rule for one particular place. I maintain that the people of England would be better able to manage their own affairs if they were not partially governed by the people of Scotland, Wales, and Ireland, and the same may be said of each of those countries. What are the facts in relation to the British Parliament of today? That Parliament, as a machine for doing certain work, has grown unwieldy, incapable, and ineffective.

Senator DAWSON.—It is overladen.

Senator GIVENS.—As Senator Dawson interjects, the British Parliament is overladen with duties which do not properly belong to it. The Imperial Parliament should have to legislate only in regard to Imperial affairs. Like the Commonwealth Parliament in Australia, the British Parliament should have to deal only with affairs of purely national concern throughout the Empire, while the local Parliaments should be left to deal with matters of purely local concern. If this idea were carried out in regard to the four countries which form the United Kingdom, the Imperial Parliament would be free from the enormous load of work

with which it is incapable of dealing, and would be able to more effectively discharge the duties which properly come within its sphere. It must be recognised that Englishmen are more competent to deal with English affairs, Scotchmen more competent to deal with Scotch affairs, and Irishmen more competent to deal with Irish affairs than a whole conglomeration of them is to deal with matters belonging to all parts. As the motion, however, deals only with Home Rule for Ireland, I shall confine myself to that particular aspect of the question. I put forward my views on the general question, in order to show that it is not mere patriotic or partisan feeling as an Irishman which leads me to so strongly favour self-government for Ireland, but the firm conviction that it would be essentially good for every portion of the Empire to have the same absolute right, each in consonance with local conditions, knowledge, and needs. If Ireland were given Home Rule, the Imperial Parliament would, as I say, be relieved from the enormous load of detail local work, which it has at present to perform, and which all great authorities admit it is incapable of properly carrying out. For that reason alone, it would be exceedingly desirable to give self-government to Ireland. It must be remembered that the question of Home Rule for Ireland has been a constant thorn in the side of the British Parliament; it has led to the business being almost hung up time after time, and has made the House of Commons the scene of struggles and squabbles in no way creditable to that great assembly. To grant Home Rule to Ireland would remove a bone of contention from the arena of that House, and leave it free to deal with the great national questions which urgently call for attention. As to the right of Ireland to self-government, it is conceded by every democrat that peoples who form separate nations or communities have an inherent right to govern themselves. Undoubtedly a country such as Ireland, whose separate nationality goes back to the dim ages, of which we have but a very imperfect record, has a special claim to the right to govern itself in accordance with its own ideas. Ireland has one overwhelming claim, which I think cannot be denied or disputed by anybody, namely, that until the beginning of the last century, it absolutely possessed Home Rule, under the British Crown, and it has never given up that right.

Senator DAWSON.—It is the only case in history of a constitution being auctioned off.

Senator GIVENS. — England was the buyer, but the people from whom she bought had not the right to sell, and the transaction therefore would not stand in any court of law. It was not a binding transaction, and the Irish people were in no way pledged to acquiesce in it. I pointed out that the Irish people possessed the right of self-government, and they exercised that right. They elected certain representatives to legislate for them in the Parliament in College Green, in Dublin. But they did not give to those representatives the right to deprive the people of Ireland of their power to legislate for themselves. They told their representatives to legislate for them, and they did not give them any mandate to sell or to barter away their right to legislate for themselves. The Irish people have never parted with their right to self-government. It is inherent still, and it is only the barest justice that the British people should restore it to them. It is admitted by all English historians who have dealt with the question at all, and even by those who have displayed the utmost antipathy to the Irish people in many respects, that the legislative Union of Ireland and England was effected by the most foul and corrupt methods, and that the members of the Irish Parliament who consented to the Union were bought wholesale by British gold. They sold, as I said before, something which was not theirs, and which they had no right to sell, and that which was so bought could not pass rightly or legally. The Irish people are therefore in as full possession of their right to self-government to-day as they were before the Union was effected.

Senator HENDERSON.—But they have not got it.

Senator GIVENS.—They have not got it, but that does not in any way affect the right or wrong of the matter. They have the same right to-day as they had before the Union, because they never gave it up, and were never consulted in the matter. Before the Union they were never asked for a mandate to consent to it. It was never put to them at any election, and their right was filched from them by corrupt legislators and by a corrupt Government in England, that tried to purchase the liberties of the people in that way.

Senator DAWSON.—I want a vote.

Senator GIVENS.—Senator Dawson reminds me that the time at the disposal of private members for the discussion of motions of this kind is very short. It is not advisable, therefore, that any honorable senator should speak at such length as to deprive other honorable senators of an equal opportunity to speak, or to prevent a vote being taken on the motion. I have no desire to prevent any other honorable senator from speaking, and I am most anxious that a vote shall be taken on this great question. Therefore, the further remarks I have to make will be very much condensed.

Senator DAWSON.—I hope the honorable senator will not misunderstand me. I am interested in what he is saying, but I desire to have a vote on the motion all the same.

Senator GIVENS.—I am aware of that. A great many portions of the British Empire already possess self-government. Australia, New Zealand, and the South African Colonies enjoy that right. Even the Transvaal Colony, which was conquered only the other day, is to be given a measure of self-government. Canada possesses self-government, and I ask every thinking man in this chamber whether the concession of the right of self-government to those portions of the British Empire has had the effect of weakening the Empire? On the contrary, we know that it has strengthened it. As a matter of fact, the only great Possession which Great Britain ever lost was that portion of her Empire to which she refused the right of self-government—the United States of America. What has proved to be good for other parts of the Empire must of necessity prove to be equally good for Ireland. I am willing to admit at once that the English Government have endeavoured in a great many ways to do good for the Irish people. Of late years they have sought to settle the land question, which has been at the root of all the Irish trouble, but they are only now at this eleventh hour trying to repair the almost irreparable injury previously inflicted upon Ireland. The system of government which in half a century results in the depletion of the population of a country by one half, stands self-condemned. In the middle of last century the population of Ireland, in round figures, was 9,000,000; to-day, fifty years later, it is 4,000,000. That it is a fact with respect to Ireland, no one can deny, because it is recorded in the public statistics of the country. How was that depletion of population brought about? Senator Puls-

ford and others who are advocates of the great system of free-trade established by Great Britain, may attempt to deny the facts I am going to recite, but they are facts all the same. England, by legislative enactments, absolutely destroyed some of the great industries which Ireland possessed.

Senator PULSFORD.—That was under protection; surely the honorable senator knows that?

Senator GIVENS.—I am happy to be able to agree with Senator Pulsford, and I am exceedingly pleased to have from the honorable senator the admission that England has built up her industries by protection. England built up her many industries by adopting the system of protection, and at the same time destroying the industries of other countries.

Senator PULSFORD.—No.

Senator GIVENS.—As late as the reign of William III. there was an Act passed which prohibited the exportation of manufactured woollen goods from Ireland. Is that a fact or is it not?

Senator PULSFORD.—There were a number of Acts of that sort of a very brutal character.

Senator GIVENS.—It was a brutal Act. Almost every industry that Ireland possessed at that time was destroyed by Acts of a similar nature. Whenever Ireland possessed an industry which gave promise of being a source of lucrative employment to her people, England came along and destroyed it. As a matter of fact, the only two great survivors of Irish industries in Ireland to-day are the linen industry of Belfast, and the manufacture of poplin in Dublin.

Senator GRAY.—And the shipping industry.

Senator GIVENS.—The shipping industry is of very little importance, with the exception of that of Belfast. Lecky, the historian, in his *History of England in the Eighteenth Century*, in dealing with the destruction of Irish trade, and the English navigation laws passed for the purpose of preventing exports from Ireland, says—

Protestants then began to find that they were as little thought of as the Catholics. The suppression of the woollen trade brought ruin upon 12,000 Protestant families in Dublin—

Yet we have the so-called champions of the Protestant religion on the other side getting up to-day, and saying that "Home Rule would mean Rome Rule." The quotation from Lecky continues—

and 30,000 in other parts of Ireland.

That is to say, 42,000 families were ruined by this one act of the very generous British Government towards Ireland—

By her commercial laws, England deliberately crushed the prosperity of the Protestant Colony in Ireland—

This was one of the results of that Protestant ascendancy which seems to be so dear to the hearts of Senators Walker and Fraser—

drove thousands of them into exile, arrested the influx of Protestant population from Great Britain, and inspired the Presbyterians of the North with a bitter hatred of her rule.

Yet we are told that the movement for Home Rule is a movement for Rome Rule. As a matter of fact, in the last little rebellion in Ireland, in 1867, it was an Orangeman, and a member of one of the Orange lodges of the North of Ireland, who fired the first and almost the only shot that was fired. I do not desire to deal at greater length with the way in which England, in order to build up her own industries, destroyed by legislative enactments the industries of Ireland, but the quotation I have read from Lecky, who is acknowledged to be one of the most unbiased historians who has dealt with the subject, places my statement beyond dispute.

Senator PULSFORD.—But that is ancient history. It has nothing to do with present-day conditions.

Senator GIVENS.—Has not all this occurred since the Union was corruptly effected between Great Britain and Ireland in 1800?

Senator PULSFORD.—That is also ancient history.

Senator GRAY.—English industries were not in a healthy condition at that time.

Senator GIVENS.—Were English industries deliberately destroyed by enactments of the English Legislature?

Senator MILLEN.—The point is whether there are any present-day grievances of that sort.

Senator GIVENS. — There are, and I shall enumerate some of them before I sit down. In the first place, there is no freedom of public meeting in Ireland to-day. There is no freedom of speech in Ireland to-day.

HONORABLE SENATORS.—Oh, oh!

Senator GIVENS.—I hear a chorus of disapproval from honorable senators opposite, yet what I have stated is an absolute fact. In Ireland to-day, on warrant signed by a magistrate, a man can be dragged

along by any policeman, and put into gaol for six months, without a trial, simply because in the opinion of the magistrate he may be "reasonably suspected of being a disaffected person."

Senator GRAY.—A man may be sent to prison here if he is reasonably suspected of any offence.

Senator GIVENS.—No man can be sent to prison in this Commonwealth, or in any other portion of the British Empire, that I know of, without a trial.

Senator GRAY.—Do we not know that every week in the police courts persons suspected of having no means of livelihood are sentenced?

Senator GIVENS. — Sentenced without trial?

Senator GRAY.—They are punished, anyway.

Senator GIVENS.—Every man in this Commonwealth, and in every other portion of the British Empire, that I know of, with the exception of Ireland, when arrested on any charge, must be brought before a magistrate. He has then the right to call a witness in his defence, to be represented by counsel, and he has the right to plead; but in Ireland a man has no such right.

Senator PULSFORD.—Yes, he has.

Senator GIVENS.—No, he has not.

Senator PULSFORD.—I say he has.

Senator GIVENS.—The Crimes Prevention Act was made perpetual not very long ago.

Senator DOBSON.—It applies only to proclaimed districts.

Senator GIVENS.—The Act applies to all Ireland, and it can be brought into operation in any portion of the country by a mere proclamation from Dublin Castle.

Senator GRAY.—That is a different thing.

Senator PULSFORD.—Power exists to bring the Act into force.

Senator GIVENS.—The Act is always in existence. I have had a taste of this coercion, and therefore I know what I am talking about. It is useless for honorable senators opposite to talk to us about British justice and liberty, and to indulge in "hifalutin." I admit that in England an Englishman has perhaps more liberty, right, and justice meted out to him than the citizen of any other country. But when we come to examine the English government of Ireland, we find an entirely different state of affairs existing. The English know that they purchased the self-government of Ireland cor-

ruptly and wrongfully. They know they never had a title to the country, because they purchased it from people who had no right to sell it. The iniquity of the crime has lain heavily on their conscience, and like most persons when they are in the wrong, they try to buttress their wrong by all sorts of unjust and brutal acts. Ireland has been impoverished by the land question. It is well known that over three-fourths of the land-owners spent all their revenues from the land in other countries. In the great famine of 1847, which decimated the country, and was the cause of untold misery and suffering to the people—

Senator WALKER.—Was Great Britain responsible for that famine?

Senator TRENWITH.—Very largely.

Senator GIVENS.—In that year Ireland produced a crop of wheat more than sufficient to feed every person within its territory. What had to be done with the wheat? It had to be sent away and sold, in order to pay rack-rents to Irish landlords living in England. When people in America and elsewhere, out of the charity of their hearts, sent in cargoes of Indian corn or maize to feed the starving people, the ships passed wheat-laden ships going out of Ireland. That is a fact which every one ought to know. The result has been that Ireland has become almost depleted of her rural as well as her manufacturing population. In 1847 the population numbered very nearly 9,000,000, but to-day it numbers only 4,000,000. The government of a country which results in the depletion of its population by 50 per cent. in fifty years, stands condemned by the mere recital of that fact. In my young days, in the south of Ireland, I saw helpless families evicted from their homes; I saw helpless men and women brought out on mattresses, and laid down in the snow in the most heartless and brutal manner. The land question has been the root cause of all the trouble in that country. I am pleased to find that the English Government have at last recognised that fact, and are making efforts in the direction of settlement. I hope that the efforts will be successful, but if they were successful tomorrow, there would still be an aspiration to be satisfied before the Irish question could be held to be finally settled.

Senator DOBSON.—But the land question is settled. Mr. Wyndham's Act will

bring prosperity to Ireland, for it places £100,000,000 at the disposal of the tenants.

Senator GIVENS.—I claim to have as good a knowledge of Irish affairs as any man in the Chamber, and speaking with a full sense of responsibility, I assert that the land question is not yet settled. Let me point out to Senator Dobson that the settlement of the land question which has been attempted, has one exceedingly grave defect. Although money will be provided to enable the tenants to buy land, the fact that the landlords are offered very large inducements to sell has increased the value of the land to them, and placed them in a position to exact a higher price from the tenants. The consequence is that as the tenant will be given a long period in which to pay the price—it may be an excessive price—to the landlord, it will impose an exceedingly heavy burden upon him and his family for very many years.

Senator DOBSON.—What nonsense! The Act provides that the land shall be sold at the market price.

Senator GIVENS.—The value of anything can be run up to an enormous price if you can “corner” the market, and that is what the Irish landlords have been doing of late years. The fact that the English Government have provided money to buy them out has immediately enabled them to increase the price of their land.

Senator DOBSON.—The honorable senator does not know the weak spot in the Act yet. The weak spot is that the money is not found except at the rate of £5,000,000 a year, but the Government are curing that and providing more money.

Senator GIVENS.—At that rate, it will take twenty years in which to effect the transfer.

Senator DOBSON.—No; they are shortening the time and providing more money.

Senator GIVENS.—It will take thirty years to begin all the transactions, and then twenty years to complete them.

Senator DOBSON.—They began two years ago, and £9,000,000 has been spent.

Senator GIVENS.—Then it will take eighteen years more to complete them.

Senator DOBSON.—Evidently the honorable senator knows nothing about the matter.

Senator GIVENS.—The honorable and learned senator claims to know everything.

Senator WALKER.—Does the honorable senator think it is another wrong to Irish-

men to give them £112,000,000 to buy out the landlords?

Senator GIVENS.—The English Government did not give £112,000,000 for that purpose. They made, as they admitted in the House of Commons, a present of £12,000,000 to the Irish landlords, as a bribe to induce them to sell their interest in the land. For the removal of the grievances of Ireland, not only is it necessary to settle the land question, but it is also necessary to satisfy the worthy, and I may say noble, aspiration of the Irish people to govern themselves. I think that a people are to be most highly commended for desiring to govern themselves. The Irish are a people with a strong national feeling. They have always desired to be allowed to govern themselves. I feel confident that the grant of Home Rule, instead of weakening, will strengthen the Empire. It will do good to England herself, and to every

component part of the Empire. It will remove a festering sore from the very side of England; it will enable her in time of difficulty and danger to draw upon at least half-a-million of the finest young manhood in the world in order to fight her battles, if necessary, whereas at the present time she could not claim perhaps one-fiftieth of that number to fight loyally by her side. These are the chief objects which may be attained by the granting of Home Rule. I believe that the people of the old country, who are intrusted with its destinies and management, will pay a great deal of deference to the opinion of this Senate. I feel absolutely certain that if England does accede to the request of Ireland, as expressed in this motion, it will enable Ireland to join the number of exceedingly prosperous countries which go to compose the great British Empire. I hope that the motion will be carried unanimously, and that it will go a considerable way towards effecting the object which Senator Dawson has in view.

Senator TRENWITH (Victoria).—I think that the moving of this motion in this Chamber was a mistake. I, as most persons know, am very heartily in sympathy with the claim of Ireland for Home Rule.

Senator DAWSON.—Yet the honorable senator objects to expressing his opinion.

Senator TRENWITH.—I am now expressing my opinion; but the question is, What are the functions of this Parliament? It is constituted to legislate, not to express opinions and pass motions which can have



no effect. What I feel is that this procedure does not add to the power and dignity of the Senate.

Senator DAWSON.—In plain terms, the honorable senator is against the motion.

Senator TRENWITH.—No; and I would ask the honorable senator to permit me to say what I have to say, because the position is rather a difficult one. When a similar motion was proposed in the State Parliament some years ago by Sir Bryan O'Loughlen, I then said something like what I propose to say now. It is not the function of this Parliament to legislate on the subject; it cannot do anything in connexion with the question which it could enforce; and to express an opinion is, it seems to me, to act childishly. I feel sorry to have to express an opinion on the question here. If a division be called for, undoubtedly I shall vote for the motion; but I would strongly urge its withdrawal.

Senator DAWSON.—The honorable senator would rather talk it out than vote for it.

Senator TRENWITH.—The honorable senator is not justified in making that remark.

Senator DAWSON.—I know there are a number of honorable senators who would rather not vote.

Senator TRENWITH.—I am not one of that number, but I would rather not vote here. I am prepared at any time to vote on the question elsewhere, if my vote can be of any real practical effect in favour of giving autonomy to every part of the British Dominions.

Senator DAWSON.—Is the honorable senator in favour of the motion?

Senator TRENWITH.—Will the honorable senator permit me to speak?

Senator DAWSON.—It is of no use humbugging us.

The PRESIDENT.—Order!

Senator TRENWITH.—I should like to be permitted to say what I rose to say. I did not intend to occupy more than five minutes.

Senator DAWSON.—I like a straight-out opponent.

Senator TRENWITH.—My reason for rising was to say again what I shall always say whenever a motion of this character is presented. It is lowering the dignity and effectiveness of the Senate to call upon it to discuss questions about which it can exercise no control. I do not imply, of course, that the subject-matter of this motion is an undignified one. I would ask

Senator Dawson to withdraw the motion, not because I am opposed to it, not because I desire to humbug, as he put it, but because this is not the place in which it should be moved. If it is carried, it can do no possible good, and it may leave the Senate open to receive a snub. That is a position which I do not think it ought to be called upon to place itself in.

Senator PLAYFORD.—The British Parliament might say, "Mind your own business."

Senator TRENWITH.—If the British Parliament were to pass a resolution with reference to some legislation that we were considering, or upon some question as to which we had refused to legislate, what should we say? We should say that it was impertinence on their part.

Senator DAWSON.—No, we should not.

Senator TRENWITH.—I should. This Commonwealth has powers of self-government within its own limits. It has a perfect right to do what it thinks fit within those limits. Interference from outside would be resented by us. The same applies to interference by us in the affairs of other parts of the world. I do not desire to discuss the main question. I say again that I am, and, ever since I have been able to think, have been, in favour of Ireland, as well as Australia, having the power to legislate in relation to, and for the benefit of, its own people. But I do not think that this is a place where expression should be given to our feelings on that subject. I have always refused, if I could help it, to express an opinion in Parliament that could not be followed by an Act. It is the function of Parliament to make laws. That is why we are sent here.

Senator DAWSON.—According to that argument, before a member of Parliament can express an opinion, he should be a Minister.

Senator TRENWITH.—I was elected to represent the people of Victoria in the Commonwealth Parliament, and to legislate in their interests. It may be that my opinion on this question is distinctly opposed to the opinion of those who elected me. Parliament is not justified in expressing an opinion in its representative character on a question as to which it cannot say that it has behind it the authority of the people by whom it is elected. I have no doubt for my own part that the majority of the people of this country are in favour of Home Rule. But the question was not discussed when the Federal elections were in progress. Certainly it was

not discussed by me as a candidate. It has often been discussed by me as a citizen of Victoria; and whatever weight attached to my opinion as a private citizen, I have always taken every opportunity to give to the side of this question in which I believe. But I urge honorable senators not to adopt the plan of initiating in the Senate discussions of this character, that occupy our time, and prevent us from doing something that is our duty, and that we were elected to do, whilst at the same time they lead us to interfere with other people's business in a way that may lead to our receiving a snub that we ought not to call down upon ourselves.

Senator BEST (Victoria).—I trust that Senator Dawson will consent to an adjournment of the debate, as there are several honorable senators who desire to speak. I move—

That the debate be adjourned.

Question—That the debate be adjourned—put. The Senate divided.

Ayes	...	...	...	11
Noes	...	...	...	16

Majority	...	...	5
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#### AYES.

Baker, Sir R. C.	Pulsford, E.
Dobson, H.	Turley, H.
Fraser, S.	Walker, J. T.
Gray, J. P.	Zeal, Sir W. A.
Millen, E. D.	<i>Teller:</i>
Playford, T.	Best, R. W.

#### NOES.

Croft, J. W.	O'Keefe, D. J.
de Largie, H.	Pearce, G. F.
Findley, E.	Smith, M. S. C.
Givens, T.	Stewart, J. C.
Guthrie, R. S.	Story, W. H.
Henderson, G.	Trenwith, W. A.
Higgs, W. G.	<i>Teller:</i>
Keating, J. H.	Dawson, A.
Matheson, A. P.	

Question so resolved in the negative.

Motion negatived.

Senator BEST (Victoria).—I regret that my honorable friend Senator Dawson did not see his way to consent to the adjournment of the debate. I admit that one of the reasons which induced me to make the request was more or less personal. It was only an hour ago that I happened to hear that the motion was coming on for discussion to-day, and naturally I desired to ascertain exactly the character of the debate which has taken place. At the outset, I have to concur in the remarks of my honorable friend Senator Trenwith, who has expressed his regret that we should oc-

cupy our time with the discussion of an abstract question of this kind. The mere fact that we discuss it in an abstract way will not advance the cause of Home Rule in any degree. But what is more regrettable is that we should attempt to interfere in one of the most vexed of questions—one that is not viewed with that degree of calmness, either here or in those parts of the Empire more directly concerned, that we should desire. Personally, I have not the remotest intention of imparting the slightest heat to the discussion. What I protest against is that an abstract question which is calculated to generate heat, and to arouse feeling, while at the same time it does not immediately concern us, should occupy the attention of the Senate. I concur in the view that the question of granting Home Rule to Ireland does not come within our jurisdiction. It is a mistake for us to attempt to interfere in matters of Imperial concern, which are at the present moment, and have been for many years, giving the most serious difficulty and concern to the British Parliament.

Senator DAWSON.—Are we not an integral portion of the Empire?

Senator BEST.—We are, and if the British Parliament had before it at the present time some measure dealing directly with this subject—some measure giving a certain amount of local government to the Irish people—we might be more or less justified in expressing an opinion. We might or we might not. But the point I am making is that there is no proposal of the kind immediately before the Parliament of Great Britain. The problem involved is one of an extremely difficult character. We are justified in saying that the Imperial Parliament has endeavoured to give satisfaction and to calm the strong feelings which exist. Measures have been enacted which may be described as the most advanced pieces of Socialism passed by any Parliament in the Empire. Quite irrespective of any taints which might be launched against them, the Imperial Government, with a view to allay differences and remove asperities, have proposed to Parliament, which has carried, legislation of the most far reaching description. Honorable senators are well aware that the question of Home Rule is not one as to which anything like unanimity exists in Ireland itself.

Senator DAWSON.—Did any country in the wide world ever make an unanimous request?

**Senator BEST.**—Ireland is not even fairly unanimous with regard to it. The very bitterest feelings have been aroused within the very limits of the country affected.

**Senator GIVENS.**—Did the honorable and learned senator ever know of absolute unanimity on any question?

**Senator BEST.**—No; but what I am urging is that a substantial section of the country affected is strongly opposed to Home Rule.

**Senator GIVENS.**—Will the honorable and learned senator indicate the proportion?

**Senator BEST.**—I do not pose as an authority as to the exact proportion, but I can assure my honorable friend that I am well aware, as he is, that a substantial section of the Irish people is opposed to Home Rule.

**Senator DAWSON.** — One in ten in the north-east corner of Ulster.

**Senator BEST.**—However that may be, I am urging a reason why we should not deal with this matter. I apprehend that the argument has been used that, inasmuch as we in Australia have a degree of Home Rule, we should be prepared to extend the principle to Ireland. But there is a vast difference between Ireland and Australia, seeing that we are 13,000 or 14,000 miles away from the Imperial Seat of Government.

**Senator DAWSON.** — London has Home Rule through the London County Council.

**Senator BEST.** — The London County Council exists for quite a different purpose from that which is sought to be served by those who advocate Home Rule for Ireland. It is merely municipal government that is exercised by the London County Council.

**Senator DAWSON.**—The London County Council has more power than we have.

**Senator BEST.**—Not at all. If it were only municipal government that is sought for Ireland, I would at once admit that it should be granted in the fullest way. At present I am utterly at a loss to know what good object can be attained by this motion, or where lies our right to deal with such a matter. It is futile to argue that because we in Australia have a certain amount of local government, the same system should be extended to Ireland. Whatever government we have is subject to the jurisdiction and control of the British Parliament, which has by Statute granted us certain powers. But I have always been under the impression, rightly or wrongly,

that what is sought for Ireland is co-ordinate power with the British Government.

**Senator TRENWITH.** — No; Mr. Gladstone's Bill clearly defined the powers to be given, and that Bill was accepted by the Home Rule Party.

**Senator BEST.**—I am not aware that Mr. Gladstone's Bill was accepted. I know that that Bill was fairly popular, but it did not extend the powers that were sought.

**Senator TRENWITH.** — Mr. Parnell, who was authorised to speak for the Home Rule Party, accepted the Bill unreservedly.

**Senator PLAYFORD.** — But England, the predominant partner, did not.

**Senator BEST.**—I know that the aspiration of a substantial section of the Home Rule Party was for a co-ordinate Parliament. Co-ordinate power is not granted to, and never was contemplated for, the outlying parts of the Empire, even for such a community as ourselves. However, the proximity of Ireland to England makes it part and parcel of England; and the very object of the Union was consolidation of England, Ireland, and Scotland. By a motion of this kind we are practically seeking to disintegrate rather than to consolidate the Union with the mother country.

**Senator DE LARGIE.** — Is England the mother country of Ireland?

**Senator BEST.**—England is our mother country. We cannot with reason be expected to accept the view that because we have local government here, the same measure of local government should be granted to Ireland itself. At the least, Ireland has a fair share of representation in the Supreme Parliament of the Empire; indeed, if representation be based on population, there is not the slightest doubt that Ireland is over-represented. From that point of view, therefore, there does not appear to be any serious grievance of which Ireland has reason to complain. If it were possible for Australia to be equally represented in the Imperial Parliament, I should be prepared to say that Australia ought to become a closer partner with the mother country with the object of further unifying and consolidating the Empire. If Australia were in as close proximity to the mother country as Ireland is, I should desire nothing more for Australia than a fair and reasonable representation in the Supreme Parliament of the Empire. That, in my opinion, is the ideal of Empire.

Senator O'KEEFE.—Would the honorable and learned senator propose to do away with self-government in Australia?

Senator BEST.—I should always advocate the most ample self-government for municipal purposes; but, in order to carry out the idea of the Empire, I should prefer a unified Parliament. However, it is unreasonable to argue on any analogy between Australia and Ireland. In addition, certain misguided persons, who are rather too vigorous in their advocacy of Home Rule, have avowed that what they ultimately desire is separation.

Senator WALKER.—Hear, hear!

Senator DAWSON.—Absolutely, no.

Senator TRENWITH.—Nobody accuses Australians of desiring separation.

Senator BEST.—Men who are avowed Home Rulers have stated that separation is their ultimate idea.

Senator DE LARGIE.—Does the honorable and learned senator not think that Ireland would be the greatest sufferer in the case of separation?

Senator BEST.—Undoubtedly, I do.

Senator DE LARGIE.—Irishmen are not such fools as to do themselves an injury!

Senator BEST.—I should hope not. I understand that Senator Dawson, who submitted this motion, is willing that there should now be an adjournment of the debate; and, that being so, I ask leave to continue my observations at some future date.

Leave granted; debate adjourned.

### HIGH COMMISSIONER.

Debate resumed from 17th August (*vide* page 1071), on motion by Senator HIGGS—

1. That, in the opinion of the Senate, the High Commissioner for the Commonwealth of Australia should, when selected, be selected by exhaustive ballot at a joint meeting of the Senate and House of Representatives.

2. That the foregoing resolution be sent to the House of Representatives with a respectful request for their concurrence therein.

Senator KEATING (Tasmania—Honorary Minister).—I listened to the remarks of the honorable senator who proposed the motion, and to those who followed him in support, and I must say that those gentlemen failed to convince me, at any rate, of the desirableness, in this particular instance, of departing from a well-established procedure under responsible government. I do not think there is any disposition on the part of this Government, any more than there was on the part of any

other Government, to seek to be relieved from their proper responsibility in connexion with a matter of this kind.

Senator FRASER.—Or of their patronage.

Senator KEATING.—Or of their patronage, if the honorable senator pleases, though I do not think that is the way to put the matter. One honorable senator on the other side expressed his general approval of the principle that such matters should be the subject of Executive responsibility, but, to my great surprise, that honorable senator, in order to express his want of confidence in the present Government decided to support this motion. I do not for a moment suggest or think that Senator Higgs is animated by the same consideration; but, as has been pointed out by Senator Playford—and I ask honorable senators to consider the point—this motion is, in a sense, not altogether a mere affirmation of an abstract principle, but an affirmation of a principle in connexion with a particular case. Senator Higgs emphasized this view himself, but he failed, I think, to show that there is likely to be any want of a sense of due responsibility to the Commonwealth on the part of the Government, when called on to discharge this duty, which will devolve on them in the ordinary course.

Senator GIVENS.—Senator Keating knows for whom the billet is wanted!

Senator KEATING.—If Senator Givens knows for whom the billet is wanted, he knows more than I do. The honorable senator may be in the inner circle of the Cabinet, and able to read the minds of the members of the Government, but, so far as I am concerned, I am not in a position to indicate to him, or any one else, who is likely to be chosen to fill this important office. In the first place, it is absolutely necessary that a Bill, creating the office and defining the duties which will appertain to the office, shall pass both Houses of Parliament. Until such a Bill is passed, the powers of the High Commissioner defined, and the salary to attach to the position prescribed it will be impossible, I think, for any Government to take steps towards the selection of somebody to fill the position.

Senator GIVENS.—The Government will not consider it, because they have considered it already.

Senator KEATING.—That is a very unjustifiable interjection. I understand and thoroughly appreciate the sentiments which

actuate Senator Higgs. The honorable senator is of opinion that by following this course Australia will secure the benefit of the united wisdom of the members of both Houses of this Parliament in choosing somebody to represent the Commonwealth as High Commissioner in London. I remind honorable senators of an argument used by Senator Pulsford. I think it is important that it should be emphasized, not merely for the benefit of Senator Higgs, but of every honorable senator on this occasion, and on any other occasion when it is sought to bring the two Houses together to exercise any act which would ordinarily be an act of Executive responsibility. Under the Constitution, with certain exceptions, that are defined, in relation to money Bills, the Senate has practically co-ordinate powers with the House of Representatives, but when honorable senators and honorable members of the House of Representatives are brought together to sit in joint conference to exercise a right of selection such as this, it must not be forgotten that the Senate will be represented by thirty-six units in that conference, and the House of Representatives will be represented by seventy-five. So that in the determination of that choice the House of Representatives will exercise a power in proportion to that exercised by the Senate of two to one.

Senator GIVENS.—If we leave the Government to make the choice we shall have no voice at all.

Senator KEATING.—Senator Givens is aware that a certain course may be followed to review any action taken by a Government.

Senator GIVENS.—After the thing is done, we can throw out the Government.

Senator KEATING.—The same thing applies with respect to every action taken by the Government.

Senator PEARCE.—We can throw out the Government, but we cannot throw out the High Commissioner.

Senator KEATING.—The same course might have been followed on the appointment of the Judges of the High Court, the selection of the first Public Service Commissioner, or the selection of the professional head of the Defence Department. In the case of all such appointments in the Commonwealth and in the States, the invariable practice has been for the Government of the day to select the persons to fill the positions.

Senator GRAY.—Will the Government give the name of the gentleman selected

to be High Commissioner before he is appointed, in order that the Senate may have an opportunity to discuss the selection?

Senator KEATING.—I am not in a position to speak as to that. I say that in similar cases in the States and in the Commonwealth that has been the practice in the past. I venture to say that Senator Higgs, and those who are supporting his motion, have not put forward any satisfactory reasons why in this particular instance that principle or policy should be departed from. If there were any exceptional circumstances connected with this case—and there are not, because, after all, it is analogous to the appointment of an Agent-General for the first time to represent a State—there might be some show of reason for adopting a new procedure. No reason has been shown in this case, and I venture to warn honorable senators who are disposed to vote for this motion, that they may be establishing a precedent which will be found to be very dangerous indeed, not merely in connexion with this particular appointment, but in regard to the prestige, power, and position of the Senate as a co-ordinate branch of the Legislature of the Commonwealth. Senator Pulsford's argument, it seems to me, has been absolutely unanswered. No honorable senator, who has addressed the Senate in support of the motion, has ventured to take any cognizance of that argument, for the simple reason that he would have found it absolutely impossible to give an effective answer to it.

Senator STEWART.—What argument is that?

Senator KEATING.—The argument that if the two Houses of this Parliament act in conference in making this choice, or any other choice, the Senate practically places itself in the position of exercising in that conference only one-half of the power it ordinarily has. It will have only one-half of the voting power in such a conference, inasmuch as the House of Representatives consists of seventy-five members, and the Senate consists of only thirty-six. As our powers are equal with those of the House of Representatives in every respect, with the exception of certain powers in connexion with money matters dealt with in certain sections of the Constitution, we should be practically derogating from our own power, prestige, and position under the Constitution in taking part in such a conference. That, it seems to me, is a very great

difficulty which must present itself in the consideration of a motion of this character dealing with any appointment. I feel that honorable senators, having heard the arguments put forward, will see that it is not desirable that we should follow the procedure proposed. If honorable senators desire to exercise a choice in the selection of the first occupant of this office, and if honorable members in another place desire to exercise such a choice, there is an effective way by which they may do so. When the Bill comes before the Senate it will be competent for any honorable senator to move for the insertion of a clause which shall contain the name of the gentleman proposed as the first occupant of the office.

Senator DOBSON.—Will the Government permit that?

Senator KEATING.—I am not saying that the Government will permit it, but it will be competent for any honorable senator to move for the insertion of such a clause, and then it will be for the Senate to determine what shall be done. Any honorable senator will be at liberty to move in that way for the appointment of a certain person as the first occupant of the office, and if he can succeed in obtaining a majority of honorable senators to support him in such a motion the Government must be bound by it.

Senator DOBSON.—Would not the Government withdraw the Bill?

Senator KEATING.—I have indicated the action which can be taken by any honorable senator who wishes that Parliament should make this selection. The action I have referred to can be taken in the Senate or in another place; and if that procedure is followed it will have at least this advantage, that the Senate will not be surrendering one-half of the power which it at present enjoys under the Constitution.

Question put. The Senate divided.

Ayes	...	...	15
Noes	...	...	10
<hr/>			
Majority	...	...	5

#### AYES.

Croft, J. W.	Henderson, G.
Dawson, A.	Pearce, G. F.
de Largie, H.	Stewart, J. C.
Findley, E.	Story, W. H.
Fraser, S.	Turley, H.
Givens, T.	Zeal, Sir W. A.
Gray, J. P.	<i>Teller:</i>
Guthrie, R. S.	Higgs, W. G.

#### NOES.

Baker, Sir R. C.	Smith, M. S. C.
Best, R. W.	Trenwith, W. A.
Dobson, H.	Walker, J. T.
Keating, J. H.	
Playford, T.	<i>Teller:</i>
Pulsford, E.	Millen, E. D.

Question so resolved in the affirmative.

### ELECTORAL BILL.

#### SECOND READING.

Senator KEATING (Tasmania—Honorary Minister).—I move—

That the Bill be now read a second time.

Inasmuch as this is a measure which has for its object to amend the Electoral Act in many particulars with reference to administration, I thought it would be in the best interests of its proper consideration that I should move its second reading to-night, and agree to an adjournment of the debate, if that is desired, until next week. Such a course will afford honorable senators an opportunity to acquaint themselves with its provisions, and I hope by Saturday morning to have every one of them supplied with a printed memorandum which will not only give a reference to the sections of the Act sought to be amended, but point out concisely the effect of each amendment and the necessity or reason for its enactment. The Bill is largely framed on the results of the investigations of a Select Committee which was appointed by the House of Representatives on the 19th May, 1904. It included Mr. Batchelor and Mr. Poynton, from South Australia; Mr. Cameron and Mr. Storrer, from Tasmania; Mr. Fowler, from Western Australia; Mr. Groom and Mr. McDonald, from Queensland; Mr. Sydney Smith, Mr. Kelly, Mr. Brown, and Sir William Lyne, from New South Wales; and Mr. Mauger, Mr. McCay, and Mr. McLean, from Victoria, so that it was thoroughly representative of the States. It was brought into existence as the result of various complaints about the administration of the Act at the first elections thereunder. It conducted a series of inquiries in Melbourne and Sydney, examined witnesses concerning the various complaints and the administration of the Act generally; and in October of last year it brought up a report which was circulated amongst the members of each House. At the beginning of that report it is described as—

The Select Committee appointed to inquire into the unsatisfactory manner in which the last general elections were conducted throughout the Com-

monwealth, and the administration of the Electoral Act, and to report the results of such investigations.

In its very interesting report the Select Committee made many recommendations. It was more particularly interesting to persons who were directly connected with the Electoral Department. But apart from that fact, it contained some paragraphs which were of very great interest indeed. I think, to the general public in connexion with the electoral administration, the compilation of the rolls, the cost of the elections, and the possibility of reducing that cost by taking a certain course of action which is therein indicated. Paragraph 5 reads as follows:—

With respect to the administration by the Chief Electoral Office, no complaints of a serious nature were sustained, and your Committee find that strenuous efforts were made by the officers to bring into due operation the Electoral Act, and to secure the efficient conduct of the general election.

In the rest of the paragraph the Select Committee indicated that any little omissions or faults which might have occurred were occasioned by reason of the fact that all the officers were necessarily new to the duties thrust upon them by an Act which for the first time was then put into operation. Paragraph 20 reads as follows:—

From the evidence given, it appears that the Commonwealth Electoral Act has met with strong approval. Yet the evidence has disclosed that, in certain respects, there is need of amendment to secure more efficient administration, and to give better effect to the intention of Parliament. Your Committee has considered the more important of the amendments suggested to them.

Then follow a number of the suggested amendments, some of which the Committee did not recommend, and others of which they did recommend. With one exception this Bill practically embodies their recommendations. The one exception is a suggested amendment of section 76 of the Act, and the reason why it has not been adopted is because in this Bill it is proposed to abolish the system of Revision Courts, and to provide that the work hitherto done by Revision Courts shall be done by the divisional returning officer, with the right of appeal from his decision to a Court of summary jurisdiction. One very important suggestion of the Select Committee was that the assistant returning officers should be empowered to exercise the same functions in connexion with voting by post as the Act devolves upon the divisional returning officer. In very many instances it was found that the facilities

we purported to grant for voting by post could not be availed of by reason of the fact that application had to be made to the divisional returning officer—that is, to the chief officer for the division. It is thought desirable that the assistant returning officers should be able to exercise similar powers, and that is provided for in clause 6. Another recommendation of the Select Committee was that it is desirable that claims to be enrolled to vote should be witnessed by a competent witness. I use the word competent to mean a witness such as an elector who may know or have some knowledge of the applicant. That alteration is endeavoured to be effected by clause 18.

Senator FRASER.—But he should also be an officer of some kind or other.

Senator KEATING.—No. This clause deals with a case where an ordinary citizen who is not on the roll applies to be enrolled for a particular division in accordance with the provisions of the Act. Previously an application of this kind was not required to be witnessed in the way now proposed. If the applicant is at all known he should be able to get a resident in the locality to witness his form of claim, and in some sense to substantiate the simple statements contained in it.

Senator FRASER.—Might that not be open to a great deal of abuse?

Senator KEATING.—Not so much as the present system, under which no witness is required. Another recommendation of the Select Committee was that in cases where an elector desired to be transferred from one division to another, the process should be simplified. According to the Act, if an elector is resident in a certain portion of a division, he goes to the assistant returning officer or the electoral registrar who has charge of the polling list for the polling place he votes at, and applies for his transfer. That transfer goes to the divisional returning officer of the division to which he wishes to be transferred, and from that officer to the electoral registrar at the particular polling place in such division. It was recommended by the Select Committee that this process should be simplified, and that the transfer should go direct from one electoral registrar to the other, and the acknowledgment of it should go back by the same course, so that the polling list could be altered. It will avoid a considerable amount of circuitry, and a good deal of what might almost be called red-tapism, and facilitate transfers.

That alteration is provided for in clause 20. Another very important recommendation of the Select Committee is endeavoured to be given effect to in paragraph 36 of clause 16, and that is that all the Commonwealth and State officers be required to furnish the Commonwealth Electoral Officer with any statistical information necessary to prepare the rolls. Of course that provision was in the original Act, in section 33, but it was only applicable to the case of the preparation of the original lists. Clause 16, paragraph 36, of this Bill makes the provision applicable for all time. Another very important recommendation of the Select Committee was in connexion with the issue of the postal ballot papers. Honorable senators will remember having read in connexion with some cases which came before the Court that there were many abuses or charges of abuse of the privileges conferred by the Act in the way of facilities for postal voting. Clause 26 of this Bill makes, I think, adequate safeguards against the infringements of the principles of the Act.

Senator DAWSON.—What is the real reason for having a polling-place roll?

Senator KEATING.—It is essential in order that each person may know at what polling place he is expected to record his vote.

Senator DAWSON.—He cannot vote outside that place.

Senator KEATING.—He can of course get a transfer to any other polling place up to within a short time of an election.

Senator FINDLEY.—It is not possible for a man to vote in an electoral district other than in the division in which he resides.

Senator KEATING.—Yes, it is, under the ordinary provisions of the Act. If he is absent from his usual place, the ordinary provisions of the Act, or in the case of the Senate the regulations will enable him to vote as one who is absent from his district.

Senator MILLEN.—He votes on a Q form.

Senator FINDLEY.—I understand that at the last general election persons who were enrolled for a division in an electorate voted in another division thereof, and that no exception was taken to their act.

Senator KEATING.—That may be so, but in the Act there are provisions to enable that to be done. With reference to the provision of safeguards against the

abuse of voting by post, clause 28 proposes to amend section 109 of the Act by replacing paragraph *a* by the following paragraph:—

Who has reason to believe that he will not on polling day be within ten miles of the polling place for which he is enrolled, or a prescribed polling place for the subdivision for which he is enrolled.

It extends the distance from five miles to ten, and also provides that, in addition to stating that he has reason to believe that he will be ten miles or more from his polling-place, the applicant must state concisely some grounds for his belief. In many instances these forms were signed some time before the election by persons who, as it turned out, were not absent from their polling-places by anything like five miles. There is reason to believe that in this way postal ballot-papers were abused as well as used. In some electorates, applications for postal ballot-papers were witnessed in blank in great numbers by authorized witnesses, and then taken round by parties interested in the election of one or other of the candidates, and signed by applicants. This Bill therefore provides that any person witnessing the application for a postal ballot-paper shall himself be present at the time, and that the applicant shall make out the form in his own handwriting. Of course, there is the usual provision in the event of his being illiterate. But, at any rate, the application must be signed there and then, in the presence of the witness, who must attest it and make all due and proper inquiries to satisfy himself that the statements contained in the application are correct. If he does not do that he is liable to a penalty. In many other ways this extraordinary privilege or facility which is conferred upon the elector by the Federal Act is safeguarded against many abuses which have crept in, and other abuses which may arise in the course of the development of parliamentary election tactics.

Senator DAWSON.—What is the reason for the fine of £50, or one month's imprisonment, for a false statement?

Senator KEATING.—If a person makes a false statement it is desirable that he should be subject to punishment. The penalty mentioned is a maximum. It is desirable also, I think, that a man who induces another to make a false statement should be liable to a similar penalty. In many such cases it is likely that the person



who induces another is more guilty than the man who makes the false statement, because he would be taking advantage of the other man's ignorance.

Senator DAWSON.—The term of imprisonment should be six months, not one month.

Senator KEATING.—That is a matter for settlement in Committee. With regard to the persons who are competent to witness applications for postal ballot-papers, and those who are competent to witness the recording of postal votes, although they do not, of course, see who is actually voted for, in the present Act the witnesses in both cases are not alike. Some classes of persons, like justices of the peace, are authorized to witness applications, but are not also authorized to witness the despatch of a vote. I think that the anomaly possibly arose when the Bill was going through Committee, through the inclusion in the clause authorizing the witnessing, of some other persons than those originally proposed as competent witnesses. But the persons authorized to witness the application for ballot-papers were mentioned in the schedule, which was not amended conformably. Probably that is the reason why there is a difference in the two cases. I am not sure, but think it probable that that is how the anomaly crept in. To remedy that defect, provision is made whereby persons who are competent to witness applications for postal ballot-papers shall be equally competent to witness the using and despatch of the papers. Clause 29 at the same time provides for additional persons as competent witnesses in both cases. It was found in many instances, especially in very large electorates—although perhaps we seemed to exhaust the list of persons who would be competent as witnesses—there was nobody within a reasonably convenient distance who came within the designation of competent witnesses under the Act. Consequently, the list of persons has been somewhat extended in this Bill. A difficulty that cropped up in connexion with the recording of votes was this: In addition to the despatch of the postal ballot-papers after the voter had recorded his vote, we provided that he should also send the certificate that was issued in connexion with his application form. In many instances, persons who endeavoured to vote by post sent forward in good faith their postal ballot-papers, but forgot to send the certificates. As a con-

sequence their votes were void, and could not be recognised by the returning officer. To remedy that defect we propose that the ballot-paper shall have the certificate printed on the back, so that the two documents shall be inseparable. Consequently, there will be no possibility of a postal vote being void by reason of the separation of the two documents. That is provided for in clause 30.

Senator FRASER.—Does not that complicate the matter?

Senator KEATING.—No, it simplifies it. Instead of there being two documents we shall have the certificate printed on one of the folds of the ballot-paper; consequently, the voter cannot send one document without the other, and his vote cannot be lost by reason of that defect. In forms in the schedule to the Bill we seek to give effect to these provisions. One difficulty that many candidates experienced in the first election, especially in the very large electorates, was in reference to the appointment of scrutineers. The Act provided that the appointment of a scrutineer could only take place on the divisional returning officer being notified. In a large electorate like Maranoa or Coolgardie, a candidate might wish to appoint a certain scrutineer some hundreds of miles away from the centre where the returning officer was stationed, but could not appoint him because the returning officer could not be notified in time. We propose to remedy that by providing in clause 38 that assistant returning officers shall be competent to accept such notifications in the same way as returning officers. The words "absent from one's polling place" are not very clear in the original Act. Honorable senators will recollect that in connexion with the Wimmera election petition, it came out before the High Court that at one polling place an adjournment of the poll from the ordinary election day to a subsequent day took place. When the poll was resumed, electors who were not on the roll to vote at that polling place, but some of whom had been absent from their own polling places on the day of the election, flocked to vote; and on the ground that they had not exercised their right to vote at the election they demanded the right. It was obvious that that was not the intention of the Legislature in connexion with the adjournment of a poll at one polling place. These electors had forfeited their right to vote through not voting at their proper

polling places. In order to clear up some obscurity and doubt—and there was some obscurity, in the opinion of the High Court—provision is made in clause 43.

Senator FRASER.—To allow those electors to vote?

Senator KEATING.—No, to give effect to what was the intention of the Legislature. In connexion with the Riverina election another difficulty arose. Honorable senators will remember that Mr. Chanter petitioned against the return of Mr. Blackwood, and during the hearing of the case it transpired that Mr. Chanter—or Mr. Blackwood, I forget which—at one polling-place had asked that there should be a re-count of the votes. The re-count was, I think, refused on the ground that there was no specific power given to the officer under the Act to permit a re-count on the application of any candidate, or under any circumstances. Provision is made in this Bill to grant a re-count if an application is made before the declaration of the poll by a candidate. The provisions dealing with that are contained in a part of the Bill by itself, consisting of clauses 44 and 45.

Senator MILLEN.—A re-count at any polling-place?

Senator KEATING.—Not necessarily a general re-count. It is to avoid the necessity of a general re-count that these provisions are made. The new clause is as follows:—

At any time before the declaration of the poll, the Commonwealth Electoral Officer for the State may, if he thinks fit, on the request of any candidate, or of his own motion, direct a re-count of the ballot-papers from any division, or portion of a division, or of the ballot-papers contained in any parcel.

The re-count must be ordered by the Chief Electoral Officer for the State, on the application of a candidate, before the final declaration of the poll. In the event of any candidate being dissatisfied he may make his application; and on making out a good case to the Chief Electoral Officer—that is to say, if it is not palpably a frivolous application—the officer may order a re-count of the parcel of papers in dispute. This obviates the necessity of a candidate having to invoke the intervention of the High Court.

Senator DOBSON.—I suppose there is no appeal from the officer's decision?

Senator KEATING.—There is no appeal.

Senator GRAY.—That would not, I suppose, apply to an application for a re-count for a whole State?

Senator KEATING.—Does the honorable senator mean in the case of a Senate election?

Senator GRAY.—Would it apply to a whole division in an electorate?

Senator FRASER.—Can a candidate ask that every parcel of votes shall be re-counted?

Senator KEATING.—I think he would be entitled to get such a re-count if he applied for it. It is a case in which, I think, a contrary intention not being expressed, the singular includes the plural. A new provision is inserted in clause 52, which, I think, is very desirable. That is to say, persons who are guilty of bribery, or of the exercise of undue influence in connexion with elections, are rendered incapable of being chosen, or of sitting, as members of Parliament for a period of two years. In clause 51 provision is made to enable the Court of Disputed Returns to void an election, if illegal practices be proved. Honorable senators will remember that the High Court expressed its opinion that it had no power to void an election—that, although certain acts were declared by the Electoral Act to be illegal practices, and others were declared to amount to undue influence or bribery, Parliament had omitted to provide that the commission of any such acts should be ground for voiding an election. I do not remember whether the High Court expressed its doubt as to whether it could void an election, or whether it was its opinion that it could not do so; but to clear up any uncertainty on the point, the provision is made not merely that these offences shall be grounds for voiding an election, but also that if any person has been convicted of bribery or of undue influence, or is found by the Court to have committed or attempted to commit bribery or undue influence, he shall be disqualified for a period of two years.

Senator DOBSON.—That is a very short period.

Senator KEATING.—That, again, is a matter for Committee. I have now dealt with the recommendations which were made by the Select Committee. There are a few other matters which are also provided for in the Bill, but which are not dealt with in the report of the Select Committee. These consist of one or two slight amendments of the original Act with regard

to details in administration. For instance, under the principal Act, the Governor-General is the person who appoints registrars and polling places, and carries out other functions of that character. This provision has been found, in many instances, to be somewhat cumbersome, and it is proposed that the Minister shall appoint the registrars, polling places, and polling areas.

Senator FRASER.—Does that not virtually mean the Cabinet?

Senator KEATING.—The Bill provides that the Minister may perform this duty without making it an Executive act. In many instances, polling places are fixed or officers appointed as an election is approaching, because there may have been since the last fixing of polling places, an alteration in the population; and if it were necessary to wait for a fortnight or so, in order to call the Executive together, the opportunity might be lost to give greater facilities to numbers of electors.

Senator DOBSON.—Why should the Chief Electoral Officer not appoint the polling places?

Senator KEATING.—No doubt, in fact, this provision means the Chief Electoral Officer, because it is he who makes the recommendations to the Minister, who performs the duty as a responsible act. Under this Bill, the Chief Electoral Officer will be placed under the permanent head of the Electoral Department, whereas at present he is under the control of the Minister of Home Affairs; and it is thought that the change will tend to greater discipline.

Senator DOBSON.—Who is the permanent head of the Electoral Department?

Senator KEATING.—I do not know that anybody occupies that position at the present moment.

Senator DOBSON.—I thought the Chief Electoral Officer was the head.

Senator BEST.—I think that the permanent head of the Department is the Secretary of the Department of Home Affairs.

Senator KEATING.—The provision in the Bill practically makes the Chief Electoral Officer the permanent head. I am now dealing with some previous clauses of the Bill, having first desired to place before honorable senators those based on recommendations of the Select Committee. In part 3, which deals with electoral divisions, provision is made in clause 9 to omit from section 15 of the principal Act the words "a quota shall be ascertained in each

State," and to insert in lieu the words, "the Chief Electoral Officer shall, whenever necessary, ascertain a quota for each State." In the original Act it is not exactly prescribed that the Chief Electoral Officer shall be responsible for this, though the presumption, of course, is that he is responsible, and the object of this clause is to make the position certain. In clause 12 it is provided that, in the event of a redistribution of seats taking place in any States, that redistribution shall not take effect in connexion with any by-election; that is to say, it shall not take effect in connexion with any casual vacancy before the next election.

Senator FRASER.—I understand that a by-election will be conducted on the basis of the previous general election.

Senator KEATING.—That is so; and the redistribution will come into operation at the next ensuing general election.

Senator MILLEN.—Necessarily, or there would be a danger of the overlapping of electorates.

Senator KEATING.—Exactly. Clause 13 is intended to clear up a doubt. It is provided in section 22 of the principal Act that if both Houses of Parliament reject a redistribution scheme, the Minister may return it to the Commissioner, with a direction to provide a new one, but no further provision is made. Clause 13 amends this section of the principal Act by adding the following subsection:—

(2) The Commissioner shall thereupon propose a fresh distribution in the manner hereinbefore provided.

Clause 14 deals with matters connected with the quota. In section 23 of the principal Act it was simply provided—

A redistribution of any State into divisions shall be made in the manner hereinbefore provided whenever directed by the Governor-General by proclamation.

There is no indication of the times or occasions on which such a proclamation shall issue, and, therefore, by clause 14, section 23 of the principal Act is amended by adding the following subsection:—

Such proclamation may be made—

- (a) whenever an alteration is made in the number of members of the House of Representatives to be elected for the State; and
- (b) whenever in one-third of the divisions in the State the number of electors differs from a quota ascertained in the manner provided in this Part by a greater extent than one-fifth more or one-fifth less; and
- (c) at such other times as the Governor-General thinks fit.

Of course, these provisions merely indicate the occasions on which a proclamation shall issue. If those events occur, and a proclamation does not issue, obviously those who are responsible for the administration of the Act are guilty of neglect, and the responsibility is thrown upon them. Part IV., which is very important, makes new provisions in connexion with polling places and subdivisions. The clauses in this division repeal the whole of Part IV. of the principal Act, which is very small, consisting of only three clauses. The sections in the principal Act are 24, 25, and 26. Section 24 provides for the Governor-General proclaiming polling places or the cessation of a place as a polling place; section 25 provides for a report as to the polling places by the Commonwealth Electoral Officer, specifying what polling places are required; and section 26 provides where electors are to vote in case of a polling place having been abolished. Part IV. consists of one clause and paragraphs 24, 25, and 26. Paragraph 24 provides that the Governor-General may in any case in which he thinks fit to do so, by proclamation, divide any division into subdivisions. I shall deal with this paragraph after I have given the purport of the other two. Paragraph 25 provides that the Minister may by notice in the *Gazette*—

- (a) appoint a chief polling place for each division;
- (b) appoint such other polling places for each division as he thinks necessary;
- (c) abolish any polling place;
- (d) establish a polling place area for any specified polling place and fix its boundaries.

Provided that no polling place shall be abolished or polling place area be established after the issue of the writ and before the time appointed for its return.

Substantially, paragraph 25 is a re-enactment of the section in the original Act, only that the power is transferred from the Governor-General to the Minister, with the additional authority to establish a polling-place area for any specified polling place, and fix the boundaries; that is, to indicate what particular boundary around a polling place shall be the polling area, so that all the electors within that area may be able to recognise their particular polling place.

Senator MILLEN.—Have we not that in the present Act?

Senator KEATING.—There is no provision for the polling-place area in the original Act.

Senator MILLEN.—Is it not there under another name?

Senator KEATING.—But the provision in the principal Act is not altogether in regard to fixed or defined boundaries, and there may be the possibility of overlapping. The original provision was found, in some of the thickly-populated centres, to be inconvenient for electors; and it is thought that if these areas are established they will facilitate the collection of names for the lists, and enable the elector to know to which polling place he has to go.

Senator DOBSON.—Will that not mean more expense?

Senator KEATING.—No; it is only a definition of the boundary of a polling place. Take, for instance, the city of Melbourne; if a polling place is established, the boundary of it may not be particularly described, and this is only an optional power to facilitate the collection of names, and the reference on the part of the electors themselves to the lists.

Senator DOBSON.—When making out the polling lists, there must be a polling area.

Senator KEATING.—Whatever provision there is in the principal Act, it has not been found to meet the case either for those who are responsible for the collection of the lists, or for the electors themselves.

Senator MILLEN.—An elector will be able to refer to a geographical area, rather than to a list of names.

Senator KEATING.—In some places in the country that will be so; the elector may know the boundary, and he need not consult the list. Paragraph 26 is a provision consequential on the two previous paragraphs. The first paragraph in this part of the Bill, as I have already said, provides that the Governor-General may, in any case in which he thinks fit to do so, by proclamation, divide any division into sub-divisions. This looks a simple clause of little consequence, but it is one of great importance. Honorable senators will understand that many Commonwealth electorates in numerical strength may be equal to four or five State electorates, and it has been thought desirable to harmonize the State and Commonwealth electoral administration wherever practicable. If that can be done, it will result in great convenience and economy to both Commonwealth and States.

Senator MILLEN.—The proposal is to make the electorates co-terminus as far as possible?

Senator KEATING.—That is the proposal. For instance, there may be a Commonwealth electorate containing 30,000 electors, and the State authorities, in mapping out their divisions, may decide to divide that Commonwealth electorate into three State electorates. This provision, in such case, will enable the Governor-General to make each such State electorate a sub-division of the Commonwealth electoral division; and then the rolls used for the Commonwealth sub-division may also be used as the rolls for it as a State division. This is simply a power given to the Governor-General, which he may exercise, so that the same rolls and same officers may be utilized, and expense thus saved.

Senator FRASER.—The chances are that such a scheme will never work.

Senator KEATING.—At any rate, we can do no harm in endeavouring to bring about such a desirable state of things. It may also be found possible to make two parts of a State electoral district two subdivisions of two Commonwealth districts.

Senator FRASER.—There is more likely to be help in that way than in the other.

Senator KEATING.—In various ways it may be possible to map out our subdivisions in harmony with State divisions. It will interest honorable senators to know that, in the report of the Select Committee, reference is made to the expenditure involved in our elections, and also to the possibilities of reducing expenditure in the case of future elections. I find this statement in paragraph 10 of the report—

The Department is to be commended upon the considerable economies made in the conduct of the second general election. For the purpose of the Commonwealth elections of 1901 there were 974,594 electors enrolled, and the cost of the election was £56,331 11s. 1d. At the election held in December last there were 1,893,000 electors, and the cost of the election was about £45,000. Except, as elsewhere indicated in this report, your Committee do not see how any further reduction in the cost can be effected if the officers employed are to be paid in proportion to the services rendered.

Senator GRAY.—It was generally reported that the payments made to persons employed in connexion with the last elections were extremely small.

Senator DE LARGIE.—How does the cost compare with the cost of State elections?

Senator KEATING.—I have not the figures for State elections.

Senator O'KEEFE.—The honorable and learned senator has given the aggregate cost under the States' system in giving the cost of the first Commonwealth election.

Senator KEATING.—The cost of the first election was £56,331 11s. 1d. The Committee say further—

The special franchise of the Commonwealth necessitated a complete collection of the names of the persons entitled to be enrolled as electors. This task involved the collection of the names of nearly 2,000,000 persons. Your Committee consider no better scheme could have been devised than the house to house collection. Then in paragraph 13 of their report they say—

The evidence reveals that a great saving to the Australian people could be effected by the adoption of a uniform franchise and electoral system. By the acceptance of the uniform franchise and polling-places in common, the one collection and revision of names, and the one set of rolls could be made to serve both the Commonwealth and States. In South Australia, by the utilization of the State roll, the cost of printing the Commonwealth roll for that State amounted to £500 instead of £1,800. In Victoria the Government Printer estimates that by being able to use the State rolls a saving could be made to that State of £2,500 per annum. Further economies would result if the same sets of officers could do the electoral duties for both Commonwealth and States.

Senator BEST.—There cannot possibly be the same saving in Victoria as in South Australia, because there is adult suffrage in South Australia, and only adult male suffrage in Victoria.

Senator KEATING.—Where the State franchise is not in harmony with the Commonwealth franchise, it is thought that the rolls might be printed in such a way that where an elector is entitled to be only on the State roll or the Commonwealth roll, and not on both, there may be a certain column provided on the roll in which that can be indicated.

Senator MILLEN.—That would be a most dangerous thing.

Senator KEATING.—That is one way in which to get over the difficulty. So far as Senator Best's interjection is concerned, we all know that Victoria now stands alone in denying the franchise to women, and possibly it will not be long before that State is in line with the other States in that regard. At any rate, economies can be exercised in this direction in all the States, excepting Victoria, and we should not do well if we did not take advantage of the recommendation of the Select Committee to make such elastic provisions in our Bill as will enable us, should the opportunity arise, to give being to such a very desirable state of things. I remind honorable senators that at the Premiers' Conference held in Hobart, the matter was discussed, and on page 84 of the report of the Conference,

honorable senators will find that Mr. Dugald Thomson moved, the Premier of Tasmania seconded, and the Conference agreed, to the following resolution:—

That this Conference agrees that the Commonwealth and State Government should consider the question of amending their electoral laws, with the object of making the qualification and disqualification of electors as nearly uniform as may be deemed possible and desirable, and that communications should be at once entered upon by the Electoral and Law Department of the Commonwealth and States, with the object of the nearest possible approach to uniformity in the mode of enrolment, mode of revision, establishment of polling-places, and other mechanism of an Electoral Act.

It is not stated whether that motion was agreed to unanimously, but there seems to have been no expression of dissent on the part of Victorian representatives to the suggested harmonization of the franchises, and that may be considered a hopeful sign that Victoria will shortly be brought into line with the other States in this matter. Part V. of the Bill repeals *in toto* sections 27 to 54 inclusive of the principal Act. It proposes the enactment of some new sections, and the re-enactment of some of the sections of the present Act, which are to be repealed, but for greater convenience it repeals the whole of the sections to which I have referred, so that those to be re-enacted may be expressed in better verbiage, and with the advantage of the experience of their practical working. The main reasons why these sections are repealed is that they were largely framed to meet the peculiar circumstances attaching to the preparation of the first rolls. By the preparation of those rolls the operation of most of these sections has been exhausted. I indicated in the course of my remarks that it was proposed to abolish the Revision Courts, and to propose that divisional returning officers should do the work now done by those Courts. It will be interesting for honorable senators to learn that the Revision Court system, so far as the preparation of the rolls is concerned, has been found to be unworkable and unsatisfactory. Of course the system originated with Courts of Revision that were held in the old country, and charged with the responsibility of inquiring into the eligibility or title of individuals to the franchise. Where there were difficult and knotty questions to determine, that system was very likely a desirable piece of machinery for the purpose of solving them. We all know that revising barristers were appointed in connexion with those Courts to study the quali-

*Keating.*

fications or disqualifications of applicants for the position of an elector. But when we have the simple qualifications of adult age, and residence in Australia for a certain time, these nice and intricate questions cannot possibly arise, and in actual experience it is found that the public take the very slightest possible interest in the work of the Revision Courts. These figures will no doubt interest honorable senators. During the months of March, April, and May of this year Revision Courts have been held at 327 centres throughout the seventy-five electorates of the Commonwealth, and not more than fifty alterations have been made in the rolls as the result of any action on the part of the public. At present no names can be removed from the rolls unless upon action by a Revision Court, by the death of an elector, or by the transfer of an elector from one roll to another. A curious anomaly arose in connexion with this. In the Riverina district there were a number of full-blooded aboriginals, who were on the New South Wales State roll, and by virtue of the operation of section 41 of the Constitution they were entitled to be placed, and were placed, on the Commonwealth electoral roll. I do not know whether they were subsequently disfranchised in New South Wales, but I am informed that for some reason or another they ceased to be qualified as electors for the State Parliament, and their qualification as electors for the Commonwealth Parliament also ceased. But they could not be removed from the Commonwealth roll. They were not dead, they had not been transferred, no Revision Court was held that could deal with their case, their names were allowed to remain on the roll, and they were allowed to exercise the franchise in violation of the whole spirit of the law dealing with the matter.

Senator PEARCE.—Does that small instance justify the abolition of the Revision Courts?

Senator KEATING.—I did not give only that instance. I pointed out that in three months of the year 327 Courts have been held throughout the seventy-five electorates of the Commonwealth, and that at those Courts there were not more than fifty alterations made in the rolls as the result of action taken by the public.

Senator PEARCE.—That very fact might justify the continuation of the Revision Courts.

Senator KEATING.—A great majority of the alterations made are due to the fact that people have removed from one district to another without getting their names transferred, or are otherwise disqualified, and most of these cases are generally known to the returning officers.

Senator BEST.—Do police magistrates do the work of the Revision Courts?

Senator KEATING.—It has usually been done, I think, by two justices of the peace.

Senator BEST.—In Victoria the work is done by police magistrates. If the divisional returning officers are to do all this work they will be engaged in travelling about for weeks.

Senator KEATING.—I think not. The Revision Courts as a rule sit only at one place in each electorate.

Senator BEST.—But Revision Courts are held at a number of places in large electorates.

Senator KEATING.—I think not, though I do not speak with any certainty.

Senator BEST.—The proposal does not involve the employment of a number of new officials?

Senator KEATING.—No. It is provided in Part VII. of the Bill that any name on a roll may be objected to by objection in writing, lodged with or made by the returning officer. The form of the objection is provided for, and the duty is cast upon the returning officer and the registrar, if they know that the names ought not to be on the roll, to lodge the objection. They must lodge the objection themselves, and then it is provided that—

70. The returning officer shall, forthwith, give notice of the objection to the person objected to. The notice may be in the prescribed form, and be served by posting it to the last-known place of abode of the person objected to, or, if that is not known, then to the place of living appearing on the roll.

71. The person objected to may, orally or in writing, in the prescribed manner, answer the objection.

When the matter is determined either way, an appeal will lie to a Court of summary jurisdiction with ample powers.

Senator STEWART.—Who will determine the matter in the first instance?

Senator KEATING.—The returning officer for the district.

Senator DOBSON.—There will be one officer for each electorate?

Senator KEATING.—Yes.

Senator STEWART.—It will never work.

Senator BEST.—His own objection will not be overruled.

Senator KEATING.—The officer has to notify the person who is objected to that an objection has been lodged against him, and the latter may, orally or in writing, answer it.

Senator STEWART.—It will never do.

Senator KEATING.—What does the work of a Revision Court amount to in these times? When it sits the returning officer, or the registrar, or some other official, rises and says—"These persons have left the district." Practically you have all the machinery of the Revision Court doing in its name what these officers inspire them to do. The proposal is to say straight out that the electoral officer is to undertake this work.

Senator PEARCE.—The difference is that the man who makes the objection is not the one who strikes the name off the roll.

Senator KEATING.—The difference is that the man now has no right of appeal from the Revision Court, whereas under this Bill there is an electoral officer from whose decision an appeal will lie to a Court of summary jurisdiction. Sub-clause 6 of clause 73 says—

A police stipendiary, or special magistrate, or two justices of the peace, authorized as above-mentioned, though not sitting as a Court of summary jurisdiction, shall, for the purposes of this section, be deemed to be, and shall have all the powers of a Court of summary jurisdiction.

That provision gives the greatest possible facilities for making appeals. An appellant will not be required to wait a fortnight or a week for a Court of petty sessions to be held at a particular centre; but he can ask that two justices of the peace shall sit, not as a Court of summary jurisdiction, but to determine his appeal alone.\* I think that, on reflection, honorable senators will see that this system will work very much better in the interest of all parties, and will conduce to a far better administration of the Electoral Act.

Senator DOBSON.—Another argument in the Minister's favour is that as property and educational qualifications have been done away with, the Revision Courts are not half so important as they used to be.

Senator KEATING.—These qualifications were the origin of the Revision Courts. They may do very well in countries where complicated and intricate questions of qualifications arise, but here, where the qualification depends upon adult suffrage, with residence in the Commonwealth for a certain period, the necessity for Revision

Courts and revising counsel has disappeared. Practically in all the States which have had an extended franchise, the Revision Courts have been working to a large extent only in name. What do justices of the peace know of the names on the roll? The public do not attend the Courts. The illustration I gave of 327 Revision Courts having been held this year illustrates that fact and any alterations on the rolls were made in this particular method. In addition to that, we are providing a safeguard against the possibility of abuse, which is just as likely to creep in under one system as under the other.

Senator PEARCE. — The trouble is that where the abuse does creep in, and the returning officer misuses his power, the elector finds out the fact too late—on the day of election.

Senator KEATING. — The same thing may happen under the present system, under which he has no right of appeal.

Senator STEWART.—Cannot the Minister supply us with a copy of the principal Act, as well as the memorandum, showing the reason for each amendment thereof?

Senator KEATING.—In order to facilitate the study of this Bill by honorable senators, I shall supply them as early as possible—perhaps to-morrow—with a copy of the principal Act, and a memorandum which will clearly indicate, in concise form, the effect of each amendment, and the necessity or reason for its enactment.

Senator DOBSON. — I suppose the Government considered the question of whether it was better to amend the Act than to introduce an entirely new Bill?

Senator KEATING.—If an entirely new Bill were submitted, it would be very difficult for honorable senators to appreciate where an alteration was being made.

Senator BEST.—Not unless it was shown in different type.

Senator KEATING.—That method has been adopted, but experience has shown that it is attended with some difficulties.

Senator MILLEN. — This is only an amending Bill. It does not affect a large portion of the principal Act.

Senator KEATING. — Exactly. The last clause provides that in future, when the Government Printer prints the main Act, he shall print it with all the necessary omissions and insertions occasioned by the passing of this or any other amending Bill. That has been the practice in Queensland. The present print of our Defence Act . . . of the principal Act,

with all the omissions and insertions occasioned by the passing of the amending Bill of last session. At first sight, it may appear to be a dangerous system, but with the exercise of care and caution, such as are invariably exhibited by the Clerks in connexion with our Bills, it will work very well, and greatly conduce to the convenience of the public, and those who have to consult the Acts. I may say that the Government have considered whether it is not advisable to bring in a short Bill with a general provision of that kind.

Senator DOBSON.—Has the Cabinet considered the question of compulsory voting?

Senator KEATING.—No recommendation on that subject was made by the Select Committee, and this Bill simply deals with the administrative features of the Electoral Act, and the other matters to which I have referred. If honorable senators will apply themselves to the consideration of the memorandum I shall circulate, I think they will come here next week and find that the object of this Bill is to provide for the greatest possible facilities to be given to electors to record their votes, the simplification of the administrative machinery of the Act, and the guarding against any abuse or infringement of the law.

Debate (on motion by Senator MILLEN) adjourned.

## APPROPRIATION (WORKS AND BUILDINGS) BILL.

### SECOND READING.

Senator PLAYFORD (South Australia—Minister of Defence).—I move—

That the Bill be now read a second time.

I do not intend to occupy the time of honorable senators very long in submitting this Bill for their consideration. It makes a departure from the usual practice, and, I think, a very wise and proper one. The appropriations for the services of the year have been divided into two parts. The general Estimates of Expenditure will be embodied in the ordinary Appropriation Bill, which will come up to the Senate in due course. This Bill appropriates the money for new works which are required in various parts of the Commonwealth. Hitherto the Senate has had to wait for the Appropriation Bill until Parliament was on the eve of prorogation. Very properly, a Parliament will not give up its hold upon the purse strings until the last possible moment, because directly the annual Appropriation Bill is passed, the



Ministry have the whip-hand, and can prorogue at any moment. In the old country, as well as in the various States of the Commonwealth, the Parliament has very naturally delayed the appropriations for the year until honorable members have been quite satisfied that it was time to prorogue. The result of that practice in this Parliament has been that a number of public works which were provided for in the annual Appropriation Act could not, in some instances, even be taken in hand, and in many instances could only be partly proceeded with in the financial year, with the consequence that a large re-vote was required in the next financial year. Usually the prorogation has not taken place until the warm weather has begun to affect honorable members, and as the Christmas holidays came immediately afterwards the works could not be put in hand for some time. Consequently, the re-votes for this year are very large. It is certainly desirable that the construction of public works should be authorized as early as possible in the financial year, so that they may be taken in hand and the necessity for asking for large re-votes avoided. For that reason it was decided to appropriate the money for public works in a special Bill. This is really a measure for discussion in Committee rather than in the Senate. Of course I am supplied with all the requisite information concerning each item, but sometimes it is difficult to pick out the information exactly as it is desired by honorable senators. In Committee I hope to be able to furnish satisfactory information concerning every item. The Bill provides for the appropriation of £418,911 for the construction of public works. Last year the appropriation for this purpose amounted to £404,240, of which £67,766 was unspent at the end of the financial year, and of which we require to re-vote £51,000. Under the head of Trade and Customs we are asked to vote only £2,164, of which £1,979 is a re-vote. The additions to the Sydney Custom House absorb £1,909. We were not able to get on with that work last year, although the money was voted, and therefore a re-vote is required. On Defence works, we propose to expend £13,818 in New South Wales, £11,717 in Victoria, £7,577 in Queensland, £4,085 in South Australia, and £25,223 in Western Australia.

Senator HIGGS.—Why did the Minister emphasize the figures for Western Australia?

Senator PLAYFORD.—Because it is a very large sum, about which I dare say honorable senators will want an explanation, which I shall be very happy to give in Committee. It is required for a fort at Fremantle, which is estimated to cost £80,000. As we know, in a great many instances the estimates are considerably exceeded, and I should not be surprised to find that the amount runs closer to £100,000 than £80,000 before the work is finished.

Senator WALKER.—Is there anything for the harbor at Esperance?

Senator PLAYFORD.—No; we have nothing to do with Esperance or its harbor. The total Defence vote is £66,516, of which £26,245 is a re-vote, and £40,271 is for new service. As to Post and Telegraphs, we propose to spend in New South Wales, £21,250; in Victoria, £20,137; in Queensland, £7,145; in South Australia, £5,624; in Western Australia, £25,425. On telegraphs and telephones we propose to spend in New South Wales £63,000; in Victoria, £37,750; in Queensland, £17,000; in South Australia, £20,400; in Western Australia, £23,000; and in Tasmania, £8,000. That is a summary of the principal sums to be expended. Amongst the amounts I have enumerated are included items of which I shall be glad to give details in Committee. One of the principal votes for telephones is that for the construction of a line from Melbourne to Sydney. It is a work which is urgently required, and the Post Office officials consider that it will pay interest on the money from the start. Honorable senators will see on page 17 of the Bill details of expenditure under the control of the Department of Defence. Certain special defence material, costing, as estimated, £178,045, is detailed, and on the following page are other items making the total £181,060, of which we consider that £41,060 will not be required during the present year; leaving a total of £140,000 for defence purposes.

Senator MATHESON.—What is the object of putting in the larger amount if it is not all to be expended?

Senator PLAYFORD.—We cannot take off particular amounts for particular works, but we take off a lump sum from the whole of the works, because we consider that that amount will not be spent by the end of the financial year. So much will be taken off one line, and so much off another. We do not know where the savings will be made,

but we know from experience—or, rather, we can guess—the probable amount of the gross savings.

Senator MILLEN.—There is a further advantage in putting in the full amount—that we know what the total cost will be.

Senator PLAYFORD. — There is that advantage also in showing the total cost, because, if we do not spend all the money this year, it will come up in the following year as a re-vote.

Senator MATHESON.—It is not proposed to spend anything on mounting 8-inch breech-loading guns on the *Cerberus*, and yet £2,000 is included in the schedule for that purpose.

Senator PLAYFORD. — If the honorable senator will restrain his impatience, I will come to that item a little further on. I wish to make an explanation in connexion with the vote for special defence material. I do not intend to make any general speech in regard to defence questions as a whole, but I trust that I shall be able to state briefly to the Senate, when the general Estimates come forward, the policy of the Government in respect of the defence of the country, showing exactly the position in which we stand, and what we consider necessary to be done in regard to guns, ammunition, and so forth. At the present time I need not go into these details, except so far as is necessary to explain matters connected with this Bill. Honorable senators will perhaps remember that in 1903-4 a statement was laid before Parliament in which an expenditure was proposed of some £524,683, to be distributed over four years, for warlike stores to place our land forces on a war footing. In 1903-4, we spent £96,000, and in 1904-5, £169,000 was voted, of which we spent only £138,000. We are now providing for the year 1905-6 a sum of £154,000. The vote of £24,000 for two 7·5 guns and ammunition is for the Fremantle fort in Western Australia. With the expenditure of £154,000 this year, there will be left a balance of £135,000 in round figures to be voted next year. When I took office the Estimates had to be laid upon the table within a very short time. I went very carefully through the proposals contained in them with regard to the expenditure on the ordinary Military Forces for the year, but I did not see the details of this special proposed expenditure. I went through the items and cut down the expenditure somewhat, but

not so as to destroy efficiency. I was in a better position to do so than the late Minister of Defence was, because I had an opportunity not only of seeing what was proposed for the year, but also what was expended in the previous year. I could, therefore, form an opinion as to where there would be a chance of a saving being made. I cut down the Estimates by £10,000 or £13,000. But, as I have said, I did not see these special items at that time. A sum of £32,500 is set down for accoutrements of one sort and another, such as great coats, straps, and a variety of things that are necessary for military purposes. There is also a sum of £10,000 for saddle-trees, stirrups, and bits; £22,500 for making saddles; £5,653 for medical equipment; £4,000 for tools and miscellaneous materials, and other items. When I came to be Minister of Defence, my attention was called to the fact that we had very little cordite in stock. I noticed that an honorable member of another place asked a question as to how it was that certain guns could not be used by the artillerymen on account of the scarcity of cordite. I made inquiries, and found that we had such a small quantity that we could not afford to fire it away in practice. Consequently, we were not able to give our artillerymen the opportunities for practice that they require. They could have used ordinary black powder, but such practice is not considered so good as is that with the ammunition that would be used in actual warfare.

Senator MATHESON.—The artillerymen are made to use black powder for similar guns at Albany.

Senator PLAYFORD.—We do treat Western Australia rather badly sometimes do we not? No doubt the artillerymen in some places are firing with black powder, and it gives them a certain amount of practice, but it is not desirable to use it more than can be avoided. As I have explained. I found that we were very short of cordite, and were also very short in our number of improved rifles. I came to the conclusion that saddle-trees, saddles, and other accoutrements were not quite so necessary to have in stock as was cordite: because such accoutrements would be put in store ready for time of war, and very possibly would rot before they would be required. The conclusion that I came to was that if war took place, what we should certainly require most was proper arms and ammuni-

tion. Such warlike stores, it seemed to me, were of much greater consequence than great coats, saddle-trees, saddles, and waggons. We can commandeer any number of waggons if necessary, and we can make saddles, or can use those we have been using in the past. But we could not do without ammunition, and we could not do without the most improved rifles. In reference to rifles we are in this position. It has been decided by the Council of Defence, on the advice of Major-General Hutton, that on a peace footing we should have something like 25,000 men. We are providing on the general Estimates of the year for something like 23,000 men, which is very close to the number considered desirable. On a war footing we are supposed to have 39,000 men. We must also arm them with the most improved rifles. The weapon with which our service is armed is the Lee-Enfield magazine rifle. I have a statement here showing that we have something like 4,000 more rifles than are absolutely necessary to arm our forces on a peace footing. Of course our artillery and some other members of the forces do not require to be armed with rifles. In addition we have about 30,000 men belonging to rifle clubs who are armed with Martini-Enfield rifles. The Martini-Enfield is a single-loader, and although it is a most excellent arm, it is not so good as a magazine rifle, which contains ten cartridges, that a man can fire very quickly. In actual war, as honorable senators can well imagine, troops armed with single loaders are placed at a great disadvantage when engaged against troops armed with magazine rifles, and the moral effect of having an inferior weapon must be considered. Therefore we ought to get the most improved rifles to arm our forces at their full strength. I do not say that we can attain that object at once, but we should vote for the purpose so much money every year until all our men are armed with magazine rifles. We can already arm in that way our troops on a peace footing; but our reserve-list contains a large number of elderly men who are, perhaps, not as fit as they once were. It is necessary, however, to arm them also.

Senator DOBSON.—We are told by the Colonial Council of Defence that we ought to have 50 per cent. more rifles than men.

Senator PLAYFORD.—I am in possession of the statement made by the Colonial Council of Defence.

Senator MATHESON.—At what date—1901?

Senator PLAYFORD.—It was either 1901 or 1902, and the statement was that the States, as they then were, ought to possess sufficient up-to-date rifles to keep the whole of the forces, and the whole of the reserves, up to war strength, with 50 per cent. in addition. When I saw that statement, I at once came to the conclusion that the expenditure on accoutrements, saddle-trees, the making of saddles, camp equipment, medical equipment, and so forth might be reduced, and attention devoted to what is absolutely required in case of war.

Senator GRAY.—No provision is made for the 50 per cent. extra recommended by the Colonial Council of Defence.

Senator PLAYFORD.—No, nor will there be for a long time to come.

Senator GRAY.—Why?

Senator PLAYFORD.—Because we have not the money, and I do not think we should be justified in undertaking the expenditure.

Senator GRAY.—I think it would be very well spent money.

Senator PLAYFORD.—In my opinion, it would be better to gradually increase the number of rifles and the arms we require for defence purposes year by year, as we have done in the past, spending just what money we can afford. Of course, I know that it has been advocated by the ex-Minister of Defence, Mr. McCay, that the Commonwealth should borrow £800,000 in order to obtain accoutrements, arms and ammunition, big guns for the forts, and so forth, and to keep the forces up to war strength. I have, however, had a statement prepared by the officers of the Department, who informed me that it would cost over £1,000,000 to carry out the idea of the ex-Minister. When I address the Senate on the whole question of defence, I shall go into the details of all these matters.

Senator BEST.—What up-to-date rifles have we at the present time?

Senator PLAYFORD.—Some 35,000.

Senator BEST.—Is provision made for any additional rifles?

Senator PLAYFORD.—No. I propose that, instead of expending so much, as is proposed, for saddles, accoutrements, and so forth, we should devote the money to other more useful purposes.

Senator MATHESON.—Will the Minister of Defence move an amendment to that effect?

Senator PLAYFORD.—Not at the present time, because I am not in a position to say exactly how these appropriations should be altered. Following the example of the Prime Minister in another place, I ask the Senate to allow the appropriations to stand. When the Council of Defence has decided as to what alterations of the items are desirable, I shall cause a statement to be laid upon the table of both Chambers, so that the fullest information and opportunity for discussion may be afforded.

Senator BEST.—There will have to be a new Bill.

Senator PLAYFORD.—Not necessarily.

Senator BEST.—But these moneys are now being appropriated for the special purposes set down.

Senator MATHESON.—It is a bad system on which the Minister proposes to act.

Senator PLAYFORD.—It is quite common for Ministers to deduct so much from one item, and make an addition to some other item.

Senator MATHESON.—That system was the curse of Western Australia.

Senator PLAYFORD.—It may be considered a bad practice, but it is commonly followed. The Government do not propose to take any action behind the scenes, but to lay before Parliament a full statement of how it is proposed to spend the money.

Senator BEST.—Not after the money has been spent, I hope?

Senator PLAYFORD.—No, before a half-penny is spent.

Senator DOBSON.—Why not embody the new proposals in the Bill next week?

Senator PLAYFORD.—I have not yet the information, and I cannot obtain it in a moment.

Senator DOBSON.—The officers of the Department ought to be able to obtain the information for the Minister.

Senator PLAYFORD.—They cannot do so at a moment's notice.

Senator DOBSON.—It is not a moment's notice.

Senator PLAYFORD.—I do not think it could be done on a notice of a week or two. I called a meeting of the Council of Defence to consider the question, and

the following is an account of what took place:—

At a meeting of the Council of Defence, held on the 24th August, 1905, it was decided that the Chief of Intelligence should confer with the Chief of Ordnance, and submit proposals for a variation of certain items included in the Estimates for 1905-6, as laid before Parliament, viz., in division No. 6, subdivision No. 1, "Special Defence Material," to make provision for the supply of 5,000 rifles and £10,000 worth of cordite charges for guns.

Senator DOBSON.—And to reduce other items.

Senator PLAYFORD.—Yes.

Senator DOBSON.—Those proposals ought to be here before the Bill is passed.

Senator PLAYFORD.—Another place has consented to the arrangement I suggest, and surely honorable senators are able to trust the Government?

Senator DOBSON.—What is the good of the Council of Defence? They had these Estimates before them for weeks.

Senator PLAYFORD.—They had the Estimates before them only on the 24th August, and, as the officers mentioned have not reported to me, I am unable to call another meeting of the Council of Defence.

Senator DOBSON.—Surely that could be done within a week?

Senator PLAYFORD.—I do not know that it could; at any rate, it has not been done up to the present.

Senator MATHESON.—Colonel Bridges is away, so that there cannot be a meeting.

Senator PLAYFORD.—One or two of the officers are away, and it is impossible for me to get the information. I intend to preserve to Parliament all the powers which are necessary in a matter of this sort. I cannot at present indicate the exact variations which I shall propose, because I have no special knowledge, and must trust to officers who have. It is not proposed to decrease or increase these items by a single pound in the lump, but merely to vary them, and, as I say, a statement will be laid before Parliament giving full details of the proposed expenditure.

Senator DOBSON.—Could not the officers of the Department prepare the information by next Wednesday, and show whether £10,000, £20,000, or £30,000 can be struck off the proposed expenditure on accoutrements and so forth?

Senator PLAYFORD.—I do not intend that any proposed expenditure shall be struck off until I know exactly how I shall

spend the money in other directions; and I cannot come to a decision without consulting the Chief of Ordnance and the Chief of Intelligence. When I get their report I shall call a meeting of the Council of Defence, and ascertain what they propose.

Senator BEST.—Is it not stultifying Parliament to pass items for particular purposes, when the Minister tells us that the money will not be spent for those purposes?

Senator PLAYFORD.—There will be no stultification.

Senator DOBSON.—The Minister used to laugh at the idea of buying great coats when we wanted ammunition and rifles, and yet that apparently is what the Minister himself purposes to do now.

Senator PLAYFORD.—I am not going to do anything of the sort.

Senator DOBSON.—We are being asked to vote for certain expenditure, which we are told will not be undertaken.

Senator PLAYFORD.—In one sense that is so, but it is under the most straightforward circumstances, and I again point out that the other branch of the Legislature did not raise the slightest objection. One line in the Estimates, for which I am not responsible, makes provision for mounting 8-inch breech-loading guns on the *Cerberus*. That item appeared in the Estimates of my predecessor.

Senator DOBSON.—But the present Minister is responsible for it.

Senator PLAYFORD.—Perhaps I am in one sense, though I did not know the item was in existence. At any rate, it is not proposed to mount those guns. It was intended that the *Cerberus* should be thoroughly overhauled, and converted into something like a decent fighting ship; but a careful survey showed that the vessel was beyond repair, and Captain Creswell thinks that she will have to be condemned and thrown to the scrap-heap. The gyroscopes are wanted for the torpedoes, and the service of shell is also necessary; and the total amount for special defence material is £140,000.

Senator GUTHRIE.—What is a gyroscope?

Senator PLAYFORD.—It is an apparatus placed inside a torpedo so that if the torpedo defects in any way, it is at once brought into a straight line.

Senator DOBSON.—Can the Minister tell us the reason why the expenditure on public

works generally is now debited *per capita* instead of to the individual States?

Senator PLAYFORD.—No; I am not responsible for that arrangement.

Senator DOBSON.—But the honorable gentleman is responsible.

Senator PLAYFORD.—That arrangement was made by the late Government at the instance, I believe, of the then Treasurer, Sir George Turner. I do not know when or why it was made, and I am not at the present moment prepared to argue whether it is right and proper or otherwise.

Senator DOBSON.—What is proposed to be done in respect of the money charged, not *per capita*, but to the individual States during the first year or two?

Senator PLAYFORD.—I think that, all along, defence works have been charged *per capita*.

Senator DOBSON.—All public works were charged to the individual States previously. The alteration was made last year.

Senator PLAYFORD.—I am not responsible for the arrangement, and it is a matter which I have not looked into. But I have no doubt Sir George Turner had very good reasons for the action he took. It is true that one or two of the States may suffer, and be able to offer good reasons why the arrangement should not be continued. However, the arrangement has been agreed to, and I do not know that any alteration can be made.

Debate (on motion by Senator PULSFORD) adjourned.

## ADJOURNMENT.

RUSSO-JAPANESE TREATY OF PEACE—  
PUBLIC SERVICE CLASSIFICATION.

Motion (by Senator PLAYFORD) proposed—

That the Senate do now adjourn.

Senator WALKER (New South Wales).—I wish to ask the Minister of Defence whether he has any intimation to make to the Senate with regard to the treaty of peace proposed between Russia and Japan. We have so far heard nothing officially as to the conclusion of peace between these countries.

Senator PLAYFORD (South Australia—Minister of Defence).—Any official communication on the subject would, of course, be sent to the Prime Minister. I have no official information on the subject.

Senator STANFORTH SMITH (Western Australia).—In view of the explicit promise given to the Senate that the fullest possible opportunity would be afforded to senators to discuss the Public Service classification scheme, and in view of possible loss arising under the scheme I should like to ask the honorary Minister when he proposes to redeem the promise given?

Senator KEATING (Tasmania—Honorary Minister).—Some little time ago a Friday sitting was set aside for the discussion of the scheme by the Senate. At the conclusion of the day's sitting it appeared that there were one or two honorable senators who had not had an opportunity to take part in the discussion of the scheme. I then stated that it was not the desire of the Government to block discussion of the matter, but that we were prepared to hear any discussion considered necessary, and to see that any representations made touching the policy and principle of the Act and the classification scheme would receive proper recognition. Subsequently, owing to an honorable senator having placed a notice of motion on the business-paper, I was prevented from in any way affording an opportunity for further discussion. The motion to which I refer was to have been discussed to-day, and I understand it has been postponed.

The PRESIDENT.—It has dropped off the paper, but notice of motion No. 4, dealing with the transference of officers from the clerical to the general division still remains on the paper.

Senator KEATING.—That also touches the question of the Public Service classification. I can say this at present: That should the Appropriation (Works and Buildings) Bill be disposed of to-morrow, no further Government business will be taken, and on the motion for the adjournment of the Senate, any honorable senator who has not already addressed himself to the classification scheme may take advantage of that motion to do so.

Senator STANFORTH SMITH.—No motion on the subject can then be proposed.

Senator KEATING.—No, the discussion will be taken in the same way as the previous discussion on the subject.

Question resolved in the affirmative.

Senate adjourned at 9.33 p.m.

## House of Representatives.

Thursday, 14 September, 1905.

Mr. SPEAKER took the chair at 2.30 p.m., and read prayers.

### STANDING ORDERS.

Mr. SPEAKER laid on the table revised Standing Orders recommended by the Standing Orders Committee.

### PAPERS.

Mr. DEAKIN laid upon the table the following paper:—

Pursuant to the Defence Acts 1903 and 1904—Regulation amended—Financial and Allowance regulations, Part II., sub-paragraph b, paragraph 60—Pay of Permanent Forces—Royal Australian Artillery—Married Establishment—Statutory Rules 1905, No. 54.

The CLERK laid upon the table—

Return to an Order of the House, dated 7th September, 1905, as to the effect of the Sea Carriage of Goods Act on trade with the East.

### TASMANIAN DEFENCE.

Mr. STORRER asked the Minister representing the Minister of Defence, *upon notice*—

Whether he has seen in the press statements by the Premier of Tasmania—

1. That Tasmania was paying three times more for defence now than before Federation?
2. That Tasmania was now ten times worse off than before Federation, Hobart practically being without volunteers?

If so, will he make inquiries into the matter, and, if the statements are correct, will the Government take steps to improve the defence of Hobart?

Mr. DEAKIN.—In reply to the honorable member's question, I have to state—

Yes; but the statements are not correct, as the following figures will show:—Expenditure, 1900-1, £31,471, of which £4,788 was for Naval Agreement; expenditure, 1904-5, £39,007, of which £6,670 was for Naval Agreement; estimates, 1905-6, £43,262, of which £8,946 is for Naval Agreement. Provision is made on the Estimates for the re-organisation of the troops from the 1st January next.

The honorable member will thus see that the statements "that Tasmania was paying three times more for defence" and "was now ten times worse off" are poetic expressions.

## AUSTRALIAN SCHOOL GEOGRAPHY.

Sir LANGDON BONYTHON asked the Prime Minister, *upon notice*—

1. Is he aware that there exists an Australian School Geography which has been compiled under the supervision of responsible representatives of the different States?

2. If such geography be shown to him, and on examination be approved, will he consider the propriety of distributing the work amongst the schools of Great Britain?

Mr. DEAKIN.—The answers to the honorable member's questions are as follows:—

1. Yes.
2. Yes, in connexion with the issue of similar publications as part of a general scheme.

## CONTRACT POST-OFFICES.

Motion (by Mr. MAUGER) agreed to—

That a return be laid on the Table of the House showing—

1. The number and situation of "contract" post and telegraph offices.
2. The amount of each contract.
3. The number of employes in each such "contract" office.
4. The wages paid and hours worked by each employé.
5. Particulars as to the employment of members of the contractor's family.

## REMUNERATION OF MINISTERS AND MEMBERS.

Motion (by Mr. BRUCE SMITH) negatived—

That notice of motion, No. 1, General Business, be made an order of the day for October 19.

## TRADE, COMMERCE, AND INDUSTRIES COMMITTEE.

Mr. SPEAKER.—On the last occasion on which the Order of the Day, No. 1, for the appointment of a Standing Parliamentary Committee of Trade, Commerce, and Industries, came before the House, my attention was called to the fact that the motion stood in the name of the Attorney-General, who was a member of the Government, and that, therefore, it could not be dealt with during the time set apart for the transaction of other than Government business. I would, therefore, suggest that the Order of the Day should be postponed until some day set apart for Government business.

Sir WILLIAM LYNE (Hume—Minister of Trade and Customs).—The Attorney-General desires to withdraw his notice of

motion for the present. The Government are considering the whole question, with a view to altering the terms of the motion so that the proposed Committee shall not interfere unduly with the functions of Ministers. I move—

That the Order of the Day be read and discharged.

Question resolved in the affirmative.

## DEFENCE ACTS REGULATIONS.

Mr. CROUCH (Corio).—I move—

That a Select Committee be appointed to consider and report upon the advisability of amending the Regulations issued under the Defence Acts; the Committee to consist of Mr. Batchelor, Mr. Hutchison, Mr. Maloney, Mr. Mauger, Mr. Page, Mr. Wilks, and the mover, with power to send for persons, papers, and records, and to sit at any time.

I desire to bring under notice several matters of importance to members of the Defence Force, and particularly to some of my constituents, with regard to certain defence regulations, which seem to me to be contrary to the spirit of the Defence Act, and to involve gross injustice. The regulations which are the subject of complaint do not give effect to the clearly expressed desire of honorable members, as embodied in the Defence Act, but, on the other hand, interfere with the freedom of the men, and deny them those opportunities of preferment which it was intended they should be granted. In the first place, I wish to direct attention to section 11 of the Defence Act of 1903, which reads as follows:—

In the first appointment of officers, preference shall be given, in the case of equality of qualifications, to persons who have served in the Defence Force for three years without a commission.

At the time that section was under discussion—and I am proud to say that it was inserted on my motion—a desire was expressed by honorable members that opportunities should be given to men serving in the ranks to rise to higher positions in the service. The intention was that the members of our Defence Forces should have opportunities similar to those which are offered to men in the French Army, in which it is said that every private carries a marshal's baton in his knapsack, in the South African Police Force, where every man has to serve fifteen years in the ranks before he can obtain a commission, and in the military service of every democratic community, in which the right is conceded to every man who shows himself possessed of the necessary ability to rise to the

highest positions. I am sorry to say that the regulations under the Defence Act have been framed in such a way as to very largely deny to the men the privileges which it was intended they should enjoy. Regulation 13 provides—

A candidate will not be eligible for appointment on probation unless he is between the ages of nineteen and twenty-three. Candidates who have served during the campaigns of South Africa or China will be eligible up to the age of twenty-five years. Candidates over the age of twenty-three years who have previously been permanently employed in military service, or in military engineering, will be considered on their merits, in accordance with the length of their previous military service, and the experience they have gained.

Mr. DEAKIN.—Is the honorable and learned member reading from the existing regulations?

Mr. CROUCH.—Yes. The Minister of Defence was good enough to furnish me with a copy of the proposed new regulations, from which it appears that none of the regulations to which I propose to refer have been altered in any material sense. Therefore I cannot be met with the statement that the objections now urged have been overcome. The second regulation to which I object reads—

A successful candidate will be appointed for six months on probation, and must, during the period of probation, pass a qualifying examination in military subjects. The appointment of any candidate who fails to pass will not be confirmed. Under very special circumstances the term of probation may be extended, on the recommendation of the General Officer Commanding, for a period not exceeding three months.

I wish now to refer honorable members to the instructions which appear upon page 247, and which show the sort of examination that those who serve in the ranks of the Permanent Forces are expected to pass. A man who joins at the minimum age of twenty years is required to serve for three years before he can take advantage of this provision. Further, it is only open to men up to twenty-three years of age. After having served three years they are required to pass an examination in arithmetic, Euclid, algebra, Latin, French or German, the examination being limited to translations from the language, grammatical questions and easy compositions, writing English correctly and in a good legible hand from dictation, the elements of geometrical drawing, and geography. In addition to the foregoing it is set out that candidates will be required to qualify, and if there are more candidates than vacancies to compete in the following subjects:—Plane trigonometry, mensuration of simple

surfaces and solids, elementary hydrostatics and mechanics, and the use of logarithms. I have here a copy of the examination paper which was set for candidates during the period that the late Minister of Defence held office.

Mr. McCAY.—The honorable and learned member does not suppose that the Minister has anything to do with the setting of the examination papers?

Mr. CROUCH.—I presume that he is not altogether irresponsible for the work of his officers. At any rate, I thought that the Minister would have known the nature of this examination paper, because of a communication which I forwarded to him in reference to a man named Watts. Under the circumstances I naturally supposed that he would have made himself acquainted with the details of the paper. Although I might have been able, upon leaving school, to answer the questions set in the examination paper to which I refer, I certainly could not do so now, and no man who has been three years soldiering could reasonably be expected to work out the arithmetic paper, for example. There was a time when I could have got through the examination papers so far as French is concerned. In that connexion I may be pardoned for mentioning that when I matriculated at the Melbourne University I obtained honours in French.

Mr. McCAY.—That is not saying very much.

Mr. CROUCH.—At any rate, it shows the standard that is being set. I never knew much about geometrical drawing, which is one of the subjects in which candidates are examined. The task set them in algebra was, in my opinion, pretty stiff, and the same remark is applicable to the Latin paper. I cannot say whether or not the papers relating to hydrostatics, statics, and mensuration were difficult. Certainly the examination to which I refer is quite equal to a very stiff matriculation pass.

Mr. DEAKIN.—But the honorable and learned member is an officer himself, and he must have passed this sort of examination.

Mr. CROUCH.—No, I am a militia officer. I am very glad that the Prime Minister has made that interjection, because any candidate for the instructional and administrative staff has merely to pass an easy examination in these subjects. Latin, French, mensuration, trigonometry, and algebra all disappear in the examination



for a commission upon the instructional or administrative staff, which we regard as a more important branch of the service.

Mr. DEAKIN.—It is only the artillerymen who require this training.

Mr. CROUCH.—Yes. The artillerymen are subjected to this stiff examination, despite the fact that they do not meet the enemy at close quarters, but engage him at a distance possibly of ten miles. These are the men who should not require to be possessed of a knowledge of languages at all. Under certain circumstances, I can understand that modern languages are useful, and frequently an acquaintance with Latin may be of service, inasmuch as it constitutes the base of Spanish, Italian, and other modern tongues. If a knowledge of all these subjects is required by anybody it is by the instructional and administrative staff, and not by the Garrison Artillery, whose members constitute our second line of sea defence. But in spite of the severity of this examination, there was one man who was ready to tackle it. He was one of a number of young men of good birth who are without means, and who join the ranks of the permanent forces. This individual was Corporal Watts. When he volunteered for service in South Africa he was deemed good enough to be appointed an officer. Concerning him Colonel Kelly, under whom he served for over twelve months there, said, "He is a good soldier, and I recommend him for a commission."

Mr. FISHER.—Did he not receive one?

Mr. CROUCH.—He was not even allowed to submit himself for examination, despite the fact that he was given a commission in South Africa in the corps of the Fourth Contingent, which was commanded by Colonel Kelly. Corporal, then Lieutenant Watts, was a mounted infantry officer, who was engaged in the fighting line, and who came back to Australia with clasps and medals in recognition of his services. Before he first joined the Permanent Artillery he served two years and eight months in the Militia Garrison Artillery. He was absent in South Africa for two years and one month, and upon his return he endeavoured to secure his commission in the artillery at Queenscliff.

Mr. McCAY.—When was that?

Mr. CROUCH.—I am not able to give the date, but it was within the past three years. He returned from South Africa in 1903, and the following year he rejoined the Queenscliff Artillery as a gunner. There

he secured the highest number of marks scored by members of his school of gunnery. He was one of those who was sent to South Head, Sydney, for special instruction in gunnery, and there his percentage was 82.

Mr. McCAY.—He failed in his examination as a non-commissioned officer.

Mr. CROUCH. — I will refer to that later. Finally he applied to be allowed to submit himself for examination for a commission. A number of the artillerymen say that they do not like to submit themselves to examination in such subjects as French and trigonometry. Corporal Watts, however, declared that he was ready to face it. He was perfectly willing to compete against men who had not had a particle of military experience, but who had successfully matriculated, or who had come from offices or high schools or colleges. There were sixteen civilian applications and one military application. The first official reason for refusing him permission to compete at the examination was that he had unsuccessfully attempted to pass an examination as a non-commissioned officer for a position upon the instructional staff, although he obtained 90 per cent. of marks in all subjects except two, which were not artillery subjects at all. I refer to tactics and map drawing, which have nothing whatever to do with artillery.

Mr. McCAY.—Does the honorable and learned member say that tactics and map drawing have nothing to do with artillerymen? These men, it must be recollected, are instructors to the field artillery.

Mr. CROUCH.—That is an argument which I intend to meet, because neither map reading nor tactics is laid down as a qualification which officers must possess. Corporal Watts endeavoured to obtain an instructorship in the Light Horse, and failed to do so. Is that the only reason which the Minister can offer as to why this man was not allowed to compete at the examination? It seems to me that such a statement will not hold water for a moment. I can point to one officer in the Royal Australian Artillery who failed in his examination the first time, and to another who had to submit himself for examination three times. I will read the letter which was forwarded to me by the honorable and learned member for Corinella during the period that he filled the office of Minister of Defence, in regard to

the case of Corporal Watts. It is as follows:—

Melbourne, 29th June, 1905.

Dear Sir,

1. I have now had an opportunity of again looking into the papers relating to the application of Bombardier Watts, R.A.A., to be examined for a commission in that corps.

2. You are mistaken in supposing that his having served in the ranks has been the ground on which he was not approved as a candidate for examination.

3. There were, in all, seventeen applicants for permission to compete for the vacancies now existing in the R.A.A.

4. Each applicant was reported upon by a special Board, and by the Commandant of the State in which he was residing.

5. The whole of the applications were then considered by the Military Board, who concurred in the prior recommendation in every case except one, where they sanctioned an applicant's competing at the examination.

6. Only seven in all were authorized, and those who were not authorized comprised both members of the Forces and those without military training.

7. Bombardier Watts unsuccessfully attempted to qualify for the Instructional Staff of non-commissioned officers, and for that, as well as for other reasons of the same character as were applied in the case of other applicants, his competing was not approved.

8. Bombardier Watts does not come within the conditions of preference laid down by section 11 of the Defence Act.

This man, who served many more than three years in the ranks, and nine months as an officer, and twelve months as a regimental sergeant-major, does not, it is contended, come within the terms of preference. But there are other reasons given for the treatment which has been meted out to him. Each applicant was reported upon by a special board and by the Commandant of the State in which he was residing. I wish to show what was the nature of that report. On the 8th March last, Colonel Ricardo, the Commandant of his own State, recommended this gentleman—I use the word “gentleman” advisedly, for I know Watts well—for favorable consideration. The official papers set forth that Colonel Ricardo reported, on the date named, that his application for a commission in the Royal Australian Artillery is “recommended for favorable consideration.” Watts, who was selected as one of the best men that Queenscliff could turn out, attended the school of gunnery, and, subsequently, his application was sent on to Brigadier-General Gordon—who had an Australian defence scheme “up his sleeve”—and Colonel Stanley. It is not my desire

*Crouch.*

to read all the papers on the file. It is sufficient for me to say that Watts was recommended by his commanding officer, his State Commandant, and, indeed, by every officer over him. His application was eventually submitted to a special board, consisting of Brigadier-General Gordon, Colonel Stanley, and another officer, who was not present, and Watts was requested to attend before that body. One of the questions put to him was as to his means.

Mr. MCCAY.—That does not appear in the official papers.

Mr. CROUCH.—It does not; but I know what questions were put to the man. He was asked what his father did, what his mother was before she married, to whom were his sisters married, what position in life did his brothers-in-law occupy, and what occupation was followed by his brothers. These and other questions were put to the man, and, finally, the board reported, amongst other things, that he was not captain of his school, and that he was “over-confident.”

Mr. WEBSTER.—Is that a fault in a soldier?

Mr. CROUCH.—A factor in the success of many men in the South African war was their readiness as soldiers to accept responsibility. The official papers show that the board reported that they had not a favorable opinion of his force of character. When this report was sent back to the Military Board, Colonel Hoad, a member of that body, who has risen from the ranks, said that he thought it advisable to refer the papers once more to Colonel Ricardo, and that officer—notwithstanding that on the 8th March, 1905, he had recommended Watts' application for favorable consideration—reported on the 16th May, 1905, “I cannot recommend him.” The man then wrote to me. I have to mention this, in order to explain how I came into possession of the facts, and I am sure that the House will be prepared to defend him for having committed a gross breach of the regulations in writing to me. It was his only hope. It was a question of the whole of his future to him. As the result of representations made for him, I wrote to the Minister of Defence, and received a reply which illustrates what may be done under regulations that are supposed to give men in the ranks an opportunity to rise. If any man in the ranks has shown ability, that man is Watts. He has been at the top of every class and school of gunnery that he has attended, and can show a splendid “arm.”

He has badges for flag signalling, first-class gunnery, and other services, and yet he has been denied the opportunity to submit himself for examination for a commission. His brother-in-law may have been working in a laundry, for all I know, as I did not inquire—his sisters are married to I do not know whom—but at any rate his family connexions, good as I know them to be, apparently did not suit Brigadier-General Gordon and Colonel Stanley, who was himself a gunner in the R.A.A. They desired a more aristocratic *régime* in the Defence Forces, and consequently this man was denied the right to submit himself for examination. It was thought, possibly, that if he passed the necessary examination he might contaminate other officers. Apparently considerations of social position are taken into account in connexion with applications on the part of men wishing to be examined for commissions. This is an abomination and an outrage, and it ought to be inquired into. Ultimately, Watts paraded before Brigadier-General Gordon, who was unaware that I had seen the official papers, and was told by him that he had been rejected because he had not attended an advanced school. That was the explanation which Brigadier-General Gordon offered, although it was quite different from that furnished in his official report.

Mr. TUDOR.—What did Brigadier-General Gordon mean by that?

Mr. CROUCH.—I suppose the trouble was that the man had attended a State instead of a Grammar School. My desire is that the regulations should be amended, and I have simply referred to this case as an illustration of what is permitted under them. I hold that the regulations must be defective unless they declare that every man who desires to submit himself for examination on acquiring a certain military proficiency shall be allowed to do so.

Mr. PAGE.—And no matter whose shirts his mother may wash.

Mr. CROUCH.—I would not like the House to think that his mother is a laundress—as a matter of fact, I am told that she comes of a very respectable family—but I do say that a man should be allowed to submit himself for examination no matter what position in life his parents may occupy.

Mr. DEAKIN.—There was no age disqualification?

Mr. CROUCH.—No.

Mr. DEAKIN.—Then would not the man come under the regulation relating to—

Warrant officers, non-commissioned officers, and men who have served for three years in the Defence Force, provided that they are between the ages of nineteen and twenty-five at the date of holding the educational examination.

Mr. CROUCH.—Yes.

Mr. DEAKIN.—That is a new regulation.

Mr. CROUCH.—The point is that he has not been allowed to go up for examination.

Mr. McCAY.—The regulations have been completely altered and special boards are now abolished.

Mr. CROUCH.—I have read the new regulation.

Mr. BAMFORD.—At all events it has not been assigned as a reason for the refusal that the man does not come under this regulation.

Mr. DEAKIN.—Quite so; but I wish to know whether he would not be allowed, under the regulation I have quoted, to go up for examination at the present time.

Mr. CROUCH.—He ought to be allowed to do so.

Mr. DEAKIN.—Under another regulation a man who has served in a campaign may also go up for examination. It seems that Watts would be eligible under two of the new regulations.

Mr. CROUCH.—That seems to be so, but the point is that he has not been permitted to go up for examination.

Mr. DEAKIN.—The special board stopped him?

Mr. CROUCH.—It did.

Mr. DEAKIN.—But special boards are now abolished. Does not that afford the man relief?

Mr. CROUCH.—It certainly helps his position, but I am not satisfied with the regulations as amended. In the case under notice we have a man who has served three years, and that fact should be taken into consideration. Why should I, simply because I have just passed the matriculation examination, be allowed a preference over a man who has not matriculated, but has spent three years in making himself proficient in practical military work? Practical work does not count, although it reduces one's ability to pass in purely literary subjects. One of my objections to the new scheme is that under it a candidate has first to pass a qualifying literary examination. If, say, three men passed that examination, they would be sent to Queenscliff or South Head for six months,

and during that time would be crammed, perhaps, by the very men whom they had defeated at the literary examination, and through their agency would acquire the information necessary to enable them to pass the artillery examination. I certainly do not think that we should have illiterate officers, but I hold that professional military qualifications should be considered at the first examination equally with the literary qualification.

Mr. DEAKIN.—That seems to be reasonable.

Mr. CROUCH.—No provision is made for it. My second objection relates to the qualification as to age.

Mr. DEAKIN.—But campaign service is a qualification.

Mr. CROUCH.—It must be recognised that campaign service does not assist a man to pass in literary subjects. A soldier does not usually take a book on trigonometry with him when he is starting on a campaign. I repeat that professional qualifications should be considered equal to literary qualifications. With regard to the regulations in respect to the age limit, I would point out that if a man enters the permanent service at the age of twenty, a service of three years leaves him a very small margin of time before his arrival at the age of twenty-five years.

Mr. DEAKIN.—He still has two years.

Mr. CROUCH.—Yes; but some allowance must be made for youthfulness. A man at that age often does not pay regard to the future needs of his vocation. But why should a soldier, who for three years has been doing additional artillery service, and acquiring additional qualifications, be blocked from further promotion by an age qualification? Section 11 of the Act says "Any man who has served three years in the ranks." Therefore, I doubt the legality of this regulation. Another matter to which I wish to draw attention is the regulations affecting a soldier's right to appeal. At the present time, a man who is aggrieved, parades his commanding officer, as it is called; but he has no right to send on his complaint, in writing, in his own language, to the District Commandant. I do not wish to refer to the case of the man Sheehan, but the honorable and learned member for Corinella, who dealt with that case, knows that the papers did not disclose the complaint which the man afterwards said he had made. He said that

he had complained of certain things, but an altogether different case was put before the District Commandant. The men are given the right of appeal, but they must put their cases verbally before their commanding officers, and he sends along whatever form of appeal he likes to frame.

Mr. McCAY.—If that is done, it is due to a misinterpretation of the existing regulations. Every soldier has the right to have his complaints forwarded.

Mr. CROUCH.—But my point is that if he is a permanent soldier, he cannot have his complaints forwarded in writing. He says, "I want to see the company commanding officer." He parades that officer, and makes his complaint. It can then go to the commanding officer of the battery, if he says, "I am dissatisfied with your decision, sir"; but he is not allowed to put in a written appeal.

Mr. PAGE.—Does he not see the State Commandant himself?

Mr. CROUCH.—In some instances he is sent to the out forts when the time for seeing the State Commandant comes.

Mr. McCAY.—The honorable and learned member is now making, not a complaint about the regulations, but a charge of maladministration against officers, which is quite another matter.

Mr. CROUCH.—I am complaining of the regulations, which will not allow the men to appeal in writing. I will tell the House of a case in point. The facts relate to a man who is not now in the artillery. If it were otherwise, I should not have been able to get them. A bombardier named Webb, an ex-chemist, was, one day, about six months ago, looking at the notice-board in the barracks. Colonel Le Mesurier and Major Hawker passed, when Webb was reading the notices, and the proper thing for him to do, according to the regulations, was to come to attention as smartly as he could, and salute. As he did not salute, Colonel Le Mesurier called the attention of Major Hawker to the fact.

Mr. PAGE.—Although Webb had his back to them?

Mr. CROUCH.—Yes. Major Hawker went up and tapped Webb smartly on the back with a stick. Webb turned round and saluted. "Why did you not salute before?" he was asked. "I did not see you, sir; I was reading the notices," he replied. "You did see us. Report yourself to the sergeant-major, and he will bring you up to me at the office in the morning." He was brought up to the office next morn-

ing, and again told his commanding officer that he had not seen him. He is a man who had a clean record, and enjoyed the privilege of living out of the barracks. When the incident occurred, his wife was within about five days of being confined. But, notwithstanding this, and the excuse he had given, he was punished by being compelled to live within the barracks; he had his bombardier's stripe removed; and he lost a job which meant extra pay. He desired, first of all, to appeal to the State Commandant, but was told that, if he did so, he would be sent to the out forts, and would not see his wife at all, and it was of so much importance to him that he should see his wife that he withdrew his appeal.

Mr. McCAY.—Surely this is an *ex parte* statement which the honorable and learned member is now making, and has nothing to do with the regulations.

Mr. CROUCH.—It shows the need for a regulation to meet the case. It is an *ex parte* statement; but, before venturing to bring it before the House, I made inquiries from several men on whom I can rely, and, if a Select Committee be appointed, it will be found that the facts are absolutely as I am stating them. Webb also asked to be allowed to appeal to the Minister, and was told by Major Hawker that if he did so he would be sent to the out forts, and, again, because he had a sick wife, he withdrew his appeal. Having obtained information about this case from others, I wrote to Webb for his account of the matter, and he sent me the following letter:—

Queenscliff,  
August 27, 1905.

Dear Sir,

The following is a true statement of my case:—

On the 14th of April I was made a prisoner for inattention to orders, my crime being neglecting to salute Colonel Le Mesurier. On the following day (although it was not denied by the evidence on either side that my offence was purely accidental) I was for this crime reverted by Major Hawker to the rank of gunner. In addition to this punishment, I was deprived of the privilege of wearing plain clothes, and allowed no leave for a month. The privilege of living out of barracks, which had been granted me by the R.D.O. the previous week, was also taken from me as part of my punishment, and I was compelled to break up my home and send my wife home to her mother, and come into barracks for an indefinite period. I was also returned to duty, having been employed as assistant linesman for about eight months, and under promise from Colonel Wallace that as soon as the Estimates were passed I would be appointed permanent linesman, with special duty pay at 2s. per diem.

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I also wish to add that on parading Major Hawker and stating my intention to appeal to the Commandant against his decision in my case, I was warned by him that he "could make things very rough for me," and that, in the event of my persisting in making an appeal, he "could transfer me to another company, and send me to South Channel."

I asked to be paraded before the Commandant that I might state my complaint, but was not allowed to see him; instead, Major Hawker forwarded my appeal, written by himself—presumably to suit himself—and of course I received no satisfaction. I asked to be paraded before the Minister of Defence, but Major Hawker and Captain Christian, with a little bluff, persuaded me to withdraw the case, pointing out that I was only driving my head at a brick wall, and that I was getting myself into serious trouble, and that I was killing the proverbial goose, &c., giving me the impression that if I withdrew the case I would get my privileges back. I paraded several times for them for three months, but was met with a refusal each time, so I applied for my discharge, and it was granted. The above is rather a rambling report, but I think you will be able to follow it. Regretting to have taken up so much of your time, I remain, yours truly,

THOS. J. WEBB.

Mr. KING O'MALLEY.—What Minister allowed this persecution?

Mr. CROUCH.—I do not think the Minister knew anything about the matter. Webb took his discharge, because he could not bear to be kept away from his wife, and his child was born in his absence from home.

Mr. WEBSTER.—This is a grave charge against the officers.

Mr. McCAY.—Yes, and if it be proved, they should be punished. But it has nothing to do with the regulations.

Mr. CROUCH.—There are certain men in Queenscliff on whom I can rely for getting accurate information, and having inquired of them, I have no hesitation in saying that the statements I have made are absolutely correct. The man could not get his appeal sent forward; he could not make it in writing.

Mr. McCAY.—Under the regulations men have the right to appeal in writing.

Mr. CROUCH.—If the honorable and learned member will tell me under which of the regulations that right is given, I will read it to the House; but there is no such regulation.

Mr. McCAY.—Regulations part V., paragraph 2. It is not stated that the appeal may be made in writing, but if the honorable and learned member reads the paragraph he will see that obviously it may be

made in writing. The soldier may make any representation he chooses.

Mr. CROUCH.—The regulation in question is as follows:—

If any soldier thinks himself wronged in any matter by any officer, other than his captain, or by any soldier, he may complain thereof to his captain, and if he thinks himself wronged by his captain, either in respect of his complaint not being redressed, or in respect of any other matter, he may complain thereof to his Commanding Officer, and if he thinks himself wronged by his Commanding Officer, either in respect of his complaint not being redressed, or in respect of any other matter, he may complain thereof to the District Commandant where the soldier is serving; and every officer to whom a complaint is made, in pursuance of this section, shall cause such complaint to be inquired into, and shall, if, on inquiry, he is satisfied of the justice of the complaint so made, take such steps as may be necessary for giving full redress to the complainant in respect of the matter complained of. Such soldier shall have the power, if he so desire, to make representation to the General Officer Commanding, through his Commanding Officer, and, if necessary, through his Commanding Officer and the General Officer Commanding to the Minister.

Mr. McCAY.—To make representations—his own representations.

Mr. CROUCH.—No.

Mr. McCAY.—It must mean that.

Mr. PAGE.—That is what I take it to mean.

Mr. CROUCH.—I say that the men are not allowed to put in written representations. I do not wish to refer to Sheehan's case, because it is a dead case. That man gave me a statement of the complaints he made to his commanding officer, and I put it before the House. He wished to have it forwarded on, but the commanding officer did not forward it.

Mr. PAGE.—That was not the fault of the regulations.

Mr. CROUCH.—It was the fault of the regulations. I wish it to be distinctly provided that a man may put his complaints in writing, and have them forwarded on, and that if they are not forwarded on, the officer neglecting or refusing to forward them shall be deemed guilty of an offence.

Mr. GROOM.—It would be a very serious offence for an officer to refuse to send on a complaint.

Mr. CROUCH.—Honorable members, with the exception of the honorable member for Maranoa, do not know what permanent discipline is. I brought a man to give the honorable member for Melbourne Ports some information about the canteen at Queenscliff; but he had the greatest dread lest I should tell the honorable member his name, because he feared that it

might afterwards be inadvertently used. Consequently, all the honorable member knows is that a certain man, who represented himself as coming from Queenscliff, or some other place, saw him, and gave him information about the canteen. He does not know the man's name, and I requested him not to ask his name. Although the soldier in question holds a humble position in the ranks, there are several ways of punishing him, just as there are more ways of killing a cat than by hanging it. A man can be blocked time after time, and if he persists in airing his grievances he is regarded as an agitator, and at the end of his five years' term of service is dismissed as a man who is no longer fit to occupy a place in the ranks. The regulation relating to drunkenness provides that there shall be no punishment for the first offence, but Major Hawker ordered a man, whom I will only call L. M., to be imprisoned for five days in the cells, and to be confined to barracks for ten days, and deprived him of his good conduct badge and the pay attached to it. There is another matter to which I desire to refer. About two years ago the rations issued to the men were decreased by  $\frac{1}{4}$  lb. of bread and  $\frac{1}{4}$  lb. of meat. The Tasmanian and Victorian soldiers have complained that, although  $1\frac{1}{4}$  lbs. of bread may be sufficient for men serving in Queensland, it does not meet the wants of men with more vigorous appetites in the southern States. Even in Queensland the Government insist upon the kanakas receiving 2 lbs. of bread per day.

Mr. PAGE.—In the Imperial service only 1 lb. of bread per diem is allowed.

Mr. CROUCH.—But then the men are allowed jam and other things.

Mr. PAGE.—Only when they are on active service.

Mr. CROUCH.—If an Australian soldier requires jam or milk, he has to buy it, and he is also called upon to pay out of his own pocket for hats and other articles of dress which he is compelled to use on parade. I desire to call attention to the regulations which prevent men from marrying without leave. These regulations should specially appeal to the Prime Minister, who is interested in the question of increasing our population. Regulations 45 and 46 read as follow:—

A Commanding Officer is not to sanction the marriage of a soldier in anticipation of a vacancy. Any soldier who marries without the consent of the Commanding Officer, or was married before

enlistment, will be thereby debarred from being placed at any subsequent time on the married establishment without the permission of the District Commandant, which is not to be given unless the conditions given in paragraph 44 are fulfilled, and unless there is an actual vacancy and no qualified applicants for leave to marry exist.

No soldiers are to be allowed permanent passes to sleep out of their quarters, except those (1) who have married with leave, and who, together with their wives, are of good character; and (2) widowers with children, if approved by the Commanding Officer. Such men must be regular in their duties, orderly in their lodgings or quarters, exact in their dress, and never leave their lodgings or quarters after tattoo, except on duty with leave. Any man not obeying these orders is to be brought into barracks.

I object to these regulations, because they treat the men as if they were infants.

Mr. PAGE.—There must be some restriction, for the sake of discipline.

Mr. CROUCH.—I shall show the difference which exists between the conditions in the Imperial and the Australian military services. At one time a regulation in connexion with the Victorian police force provided that members of the force should not marry without leave, but several men married without leave, and that put an end to the regulation. That could not, however, happen in the military service. The regulations I have quoted are copied from the Imperial regulations. There may be some point in enforcing such regulations in the Imperial barracks, where quarters are provided for married men, and, moreover, it is necessary, for the sake of discipline, and also in the interests of morality, that the women who are introduced into barracks should be of good character. In Australia no quarters are provided for married couples, and if a man marries he has to provide for his family outside. On one occasion I had to apply to Colonel Umphelby to permit a man who had married privately to live out of barracks, and to draw his 9d. per day ration money, so that he might contribute that amount toward the expenses of his home. I have known cases in which marriages would have been very desirable for the sake of the women affected. In three instances gunners would have been willing to marry girls whom they had wronged, but they objected to going before their commanding officers to obtain their consent, and they urged that as an excuse for not marrying. This regulation not only involves a sin against society, but also interferes with the rights and liberties of the men as citizens. Colonel Wallace and Colonel Umphelby,

and other commanding officers, were not too exacting, but administered the regulations tactfully, and thus inferentially admitted that they were bad. I wish to mention the experience through which a decent girl at Queenscliff was required to pass by the commanding officer at Queenscliff, Major Hawker. Major Hawker introduced a regulation under which it was required that any girl who desired to marry a member of the force should come before him—should be practically paraded before him. A certain gunner who wanted to marry a young lady belonging to a very respectable family, did not like the regulations, and put off his marriage for two months, but eventually the young lady was brought up before Major Hawker, who looked her over as if she were a horse. He did not say anything but what was proper. He asked her whether she was aware that the man whom she wanted to marry was in receipt of only 3s. 6d. per day, and she replied in the affirmative. He said it was all right, so long as she was aware of the fact, because a lot of the men gave it forth that they were sergeant-majors, or something of that kind, and in receipt of from 6s. to 9s. per day. I do not suppose that any further marriages in which members of the Military Forces are concerned will be celebrated until the very foolish regulations to which I have referred are abolished. I think that the whole system should be done away with. Modern military conditions require independence of thought on the part of the men. The success of an army does not depend upon the officers or non-commissioned officers, but upon the ability and resourcefulness of the individual soldier, who is frequently called upon to fight independently of direct control by his officers. There have absolutely been cases in which men have been confined to barracks for shaving without permission. None of the men at Queenscliff are allowed to shave off their moustaches. If they do, they are confined to barracks for from ten to thirty days.

Mr. MCCAY.—That is not according to the regulations.

Mr. CROUCH.—It seems to me that we should have a regulation to provide against any such punishment being inflicted. I am told that on two occasions mutinies have occurred among the men under the command of Major Hawker. In one case, at Sydney, ten men refused to do duty under him.

Mr. McCAY.—Does the honorable and learned member think that it is fair to the officer concerned to repeat all this gossip? I know nothing about the case. What the honorable and learned member says may, or may not, be true, but it is very unfair to repeat gossip of that kind. The honorable and learned member should make a formal charge, and ask for an inquiry. Even his motion does not relate to an inquiry into the conduct of Major Hawker.

Mr. CROUCH.—The honorable and learned member asks me whether it is fair to repeat gossip, and at the same time admits that my statements may be true. I do not think it fair to repeat gossip, but what I am stating is not gossip. I am relating facts which can be substantiated. I should like the proposed Committee to be appointed, so that the fullest inquiry may be made.

Mr. McCAY.—The Committee could not inquire into allegations such as the honorable and learned member has made with regard to mutiny.

Mr. CROUCH.—Yes, it could. In order to show the honorable and learned member that I am not retailing mere gossip, I would refer him to the official records, which show that in June, 1904, there was a mutiny among the men at Middle Head, Sydney, when nine men refused duty. A man named Dwyer was imprisoned in the cells for fourteen days, and the other eight men were removed from the company under the command of Major Hawker, and distributed among other companies.

Mr. McCAY.—The honorable member said Major Hawker had a mutiny—implying that he was the cause of it.

Mr. CROUCH.—I venture to say that it is very unfair for the honorable and learned member for Corinella, speaking with the authority of an ex-Minister of Defence, to characterize any statement as gossip unless he can put his finger on it and absolutely prove that it is gossip. If he attempted to do that I should then be able to submit names and dates in support of my assertion, and these would take it out of the region of gossip, and place it in the category of substantiated charges. All these circumstances induce me to believe that the defence regulations require a very great deal of consideration. A number of them affect these men most vitally. I hope that the honorable member for Wentworth will assist me in this matter, because there are some members

of the Garrison Artillery in his constituency. At the same time, I have not been prompted to take action by the fact that some of these men are my constituents. I feel that if these circumstances had been brought under the notice of any other honorable member he would have been equally ready to do justice to the persons aggrieved. When I think that it is possible for such injustices to continue under our defence regulations I feel sore at heart. I have many other matters to speak about, but I do not wish to detain the House too long. I claim that the facts which I have brought under the notice of the House merit serious consideration. The Government have been good enough to delay finally dealing with the revised defence regulations until this motion was submitted, in order that they might avoid taking two bites at a cherry. I thank them for their consideration in that respect, and trust that the motion will be carried.

Mr. McCAY (Corinella).—I am indebted to the courtesy of the Prime Minister for the opportunity to say a few words now, as unfortunately I shall be compelled to leave the House shortly, and thus would not otherwise be able to speak at all. I wish to say that if the allegations made by the honorable and learned member for Corio against one officer—and the bulk of his speech was devoted to that matter—are well founded, or even if there is a case for inquiry as regards that officer, I should have no objection to passing this motion. But he has not asked for that at all. The honorable and learned member has asked for a Select Committee to consider defence regulations, and in doing so he has made a number of charges, which constitute a very serious indictment against one of the officers of our Permanent Forces. I regret that he has made those charges in this informal way, and apparently without having ascertained that officer's version of the matters referred to.

Mr. CROUCH.—What about the commissions?

Mr. McCAY.—I am speaking of what constituted the bulk of the honorable and learned member's speech. I wish to say a few words in reference to the case of Corporal Watts, to which he alluded. That case was dealt with under the regulations as they existed. Those regulations were of an entirely unsatisfactory character, and they are now being altered in their essence. If I had remained in office they would have been altered under my control,



just as they are being altered under the control of Senator Playford. I did not like the system under which military boards discharged their functions and asked all sorts of unnecessary questions.

Mr. FISHER.—Did they ask the questions to which the honorable and learned member for Corio referred?

Mr. McCAY.—I do not know.

Mr. WATSON.—I have confirmation of his statement in another case.

Mr. McCAY.—The honorable member for Bland will recollect that in the case to which he refers I did everything that I could to obtain the fullest information for him, and to get at the root of the matter. It was that and other matters which made me dissatisfied with these special military boards as they were then constituted, and with the confidential instructions issued to them—instructions, which were acted upon before I came into office. Indeed, I went so far that, pending the revision of the regulations, I largely modified those instructions. If questions of the character referred to were asked, they were certainly not asked under the instructions as I modified them. They were not the kind of questions which the instructions contemplated. Under the regulations as they stand, an appointment is not possible without the approval of the District Commandant. I did not agree with that provision, and the new regulations do away with it. The Military Board alone, that is, the central authority of which the Minister is a member, can determine whether or not a candidate may compete at an examination under the new regulations. In my opinion, there must be some final power of saying, "We shall not allow X or Y to compete." There are cases in which the mere fact that an officer is willing to compete should not entitle him to do so. There must be some final power of saying whether a candidate may or may not compete at an examination. But when once we have said that he may compete he must take his chance equally with all the others. The case of Corporal Watts went to the Military Board, and then came before me in my capacity as Minister. After the fullest consideration, all the officers concerned declared that they could not recommend him—

Mr. CROUCH.—Colonel Ricardo recommended him.

Mr. McCAY.—Colonel Ricardo recommended him at first, but afterwards withdrew his recommendation. I attach more

importance to the opinion of a senior officer than to that of a junior officer.

Mr. CROUCH.—The honorable and learned gentleman stated just now that all the officers concerned were against Corporal Watts.

Mr. McCAY.—If I did so, I spoke in too large terms. What I intended to convey was that all the officers whose recommendations carry weight according to the regulations—all the senior officers—were against him. Under the old regulations I did not feel justified in overruling all their views in regard to a gentleman of whom, personally, I knew nothing, and did not propose to know anything, except that he had lodged a complaint.

Mr. FISHER.—Were there reasons that excluded him from undergoing the examination other than soldierlike reasons?

Mr. McCAY.—Social reasons had absolutely nothing to do with the matter. Time after time during my term of office, where I suspected that such reasons were operative, I appended to the documents this minute, "Have social reasons had anything to do with this matter?" There were other appointments besides that which Corporal Watts wanted in which I suspected that social reasons might operate. I repeat that, under these circumstances, I did not feel justified in overriding the views expressed by the senior officers. The first regulation of which the honorable and learned member for Corio complains has reference to the age limit. He told the House that that limit was not altered in any material respect in the new regulations. But I would point out that in the former regulations the age limit for joining the Permanent Artillery is twenty years, whereas under the new regulations it has been reduced to eighteen years. Surely that is a material alteration. The age at which a man could become an officer of the Royal Australian Artillery, or of the Instructional Staff, was previously in all cases twenty-five years. Under the new regulations, it has been altered to twenty-five years, as against twenty-three years for civilians. All the matters of which the honorable and learned member complains are being met in the new draft regulations. He also referred to the examination for the Royal Artillery and Engineers. I say, without hesitation, that we must have men of good educational attainments in those branches of the service. His derision of the prescribed examination is not justified. The officers in the Royal Australian Artil-

lery and in the Engineers are not merely garrison officers, but instructors of our Field Forces, and those forces require the best instructors whose services we can command.

Mr. CROUCH.—Why do we not require the same class of officers upon the administrative and instructional staffs?

Mr. McCAY.—Because the examination in these special subjects is intended to be confined to the special expert arms of the service, namely, the Engineers and the Artillery.

Mr. CROUCH.—What about French and Latin?

Mr. McCAY.—A man must have literary qualifications, too, otherwise he could not perform his work properly.

Mr. CROUCH.—Why is a knowledge of French required of a garrison artilleryman, when it is not insisted upon in the case of an instructional and administrative officer?

Mr. McCAY.—The garrison artilleryman is also an instructor to the Artillery generally. However, these subjects do not appear in the regulations, but in general orders. The honorable and learned member further objected to the six months' probation which an officer is required to serve, and to the qualifying military examination. I claim that the soldier possessed of practical experience has all the "pull" in regard to the qualifying examination.

Mr. CROUCH.—I do not object to that.

Mr. McCAY.—Then the honorable and learned member referred to the regulation relating to complaints. That regulation undoubtedly means that the man who has a complaint is at liberty to put his complaint before his senior officer, and, finally, before the Minister. If the officers do not forward such complaints to the Minister they are not obeying, but breaking, the regulation. It seems to me that the honorable and learned member's complaints—assuming that every word of them be true—are not complaints against the regulations, except in regard to particulars in which they are now being amended. They are complaints against the abuse, and not the use, of power. If a charge was duly made against any officer of having abused his power, I should not object to the fullest investigation. The honorable and learned member asks for the appointment of a Select Committee to amend regulations which are already being amended in the particulars to which he has referred.

Mr. CROUCH.—The amended regulations do not meet the case which I put in regard to complaints and appeals.

Mr. McCAY.—Yes, they do. I say that the regulation relating to complaints means that any man is entitled to have his own complaint put before the Minister.

Mr. CROUCH.—It has not been so read hitherto.

Mr. McCAY.—Does the honorable and learned member wish a Select Committee to be appointed in order that the words "in writing" may be inserted in the regulations? Certainly, I never supposed that any but the aggrieved individual's own complaint was to come before the Minister. Every complaint which reached me was the man's own complaint, and not his commanding officer's version of it.

Mr. CROUCH.—Through a member of Parliament?

Mr. McCAY.—No; through the official channel. It is not good from the point of view of discipline that complaints should reach the Minister except through the proper channel.

Mr. CROUCH.—I quite agree with the honorable and learned member.

Mr. McCAY.—As a matter of fact, the honorable and learned member's practice does not agree with his precepts.

Mr. CROUCH.—It is only where a man cannot get his complaint before the Minister, through the proper channel, that I take action.

Mr. McCAY.—When a man is unable to have his complaint brought before the Minister, through the proper channel, he is justified in seeking other assistance, because the regulations have been broken to his disadvantage, and no other remedy is open to him. I have never known of a case in which a man who wished to have his complaint sent on to the Minister met with a refusal. As to the case of the man Webb, I must say that the honorable and learned member for Corio has mentioned a large number of facts that are new to me. I had the whole of Webb's complaints before me, as Minister—I cannot say at whose instance they were brought under my notice—but there was nothing in the papers to show that he was labouring under a sense of injustice. So far as I can recollect, he submitted a written complaint, which did not show that he was labouring under a sense of wrong.

Mr. FISHER.—It seems strange that he should have given up his position.

Mr. McCAY.—Quite so; but I would urge the House not to unnecessarily interfere with that which is so essential in the Forces—sound discipline. The proper persons to frame regulations are the Minister and the expert officers who advise him.

Mr. WEBSTER.—The Select Committee would not interfere with the Minister.

Mr. McCAY.—I can assure the honorable member that such inquiries are not good for the *morale* and discipline of the Forces. The feeling that there is constant political interference, as contrasted with Parliamentary control, is doing, and has done, great harm in the Forces. In view of the amendments that are being made, the charges of the honorable and learned member for Corio are levelled not against the regulations, but against abuses of the regulations, and they are matters for investigation by a proper court. If an officer has done all the wrongs that are said to have been perpetrated, he ought to be court-martialled; the whole question should be decided by the proper tribunal.

Mr. WEBSTER.—The honorable and learned member will admit that Parliament has some responsibility in these matters.

Mr. McCAY.—Finally, when there is no other remedy for a wrong, Parliament should step in. I do hope, however, that the honorable and learned member for Corio will recognise, on consideration, that his charges relate really to abuses of, and not to any defect in, the regulations, except in so far as concerns particulars in which they are being amended. As to the regulations against marriage without leave, I would remind the House that they relate to a question of policy. Personally, I think that they ought to exist, but a Select Committee is not necessary to enable us to form an opinion on a question of policy of that kind. I rose only to deal briefly with the matter, in so far as it might affect the late Administration, and I submit that the honorable and learned member for Corio has not justified his demand for a Select Committee.

Mr. WILKS (Dalley).—I have listened attentively to the speech delivered by the honorable and learned member for Corio, and have come to the conclusion that most of the allegations he has made are fit subjects for departmental inquiry. In my opinion, the honorable and learned member would have been better advised had he submitted his case to the Minister of De-

fence before bringing it under the notice of this House. If he had failed to obtain redress in that way, it would then have been open to him to move a vote of censure on the Administration. It is proposed that I should be a member of the Select Committee, but I desire to have my name omitted from the list, as I intend to oppose the motion. There is of late an alarming tendency to grant Select Committees to inquire into every conceivable subject, and in this way Parliament is not only escaping much of its responsibility, but is permitting Ministers to do the same. The honorable member for Bland will remember a time not far back in the history of the State Parliament of New South Wales when it was most difficult to secure the appointment of a Select Committee to inquire into the administration of a Department. The appointment of a Select Committee for such a purpose was regarded as the most severe vote of censure that could be passed against a Ministry. The honorable and learned member for Corio has made a statement to the House, upon which statement alone we are asked to put the country to the expense of a lengthy inquiry by a Select Committee.

Mr. JOSEPH COOK.—It all comes from having a Government that can live only by granting concessions.

Mr. WATSON.—The Reid-Cook Government in the State Parliament lived by concessions.

Mr. WILKS.—The Reid-McLean Administration also appointed one or two Commissions. I have moved for a return showing the cost incurred so far in connexion with these inquiries, and am satisfied that when it is published it will come as a staggerer to the people. I complain not so much of the expenditure which the appointment of Select Committees necessarily involves, as of the fact that in this way Ministers are enabled to escape the official responsibilities of their office. If we are to have a roving inquiry in this case, where will the matter end? You, Mr. Speaker, have already ruled out of order to-day a motion, submitted by the Attorney-General, which showed a desire on the part of the Government to absolutely escape from Ministerial responsibility. The honorable and learned member for Corio admits that the bulk of his charges can be met only by an inquiry into the whole military service, and I agree that that is so. The honorable member for Bland interjected that he knew of similar cases to

those quoted by the honorable and learned member for Corio, and I believe that many of us can say the same. It is because I know that there is a military caste in Australia, and because I feel satisfied that much of the money voted for defence purposes is spent in a way that gives no adequate return, that I am always strongly opposed to voting large sums of money towards military expenditure.

Mr. WEBSTER.—The honorable member is now making a new charge.

Mr. WILKS.—I am simply pointing out that there should be really a military inquiry. We have appointed a Military Board, to which this complaint might well be referred. I can imagine the concern of honorable members when they find that, although we are prepared to devote large sums to the defence of Australia, a considerable proportion of the money voted for that purpose is expended in a way that will give the country no adequate return. Unfortunately, many military men appear to believe that the State exists for them, and not that they exist to serve the State, and a man in the ranks seeking redress of a grievance finds so many difficulties in the way that he often abandons the attempt in disgust. The honorable and learned member for Corio referred to the official objection that Watts had not had a sufficiently high scholastic training. We know that as a matter of fact many of the non-commissioned officers have higher literary and scholastic attainments than have commissioned officers, and it seems to me that all that is necessary in that direction is that a man should have a thorough acquaintance with mathematics. Corporal Watts served his country in South Africa, and yet, because he could not pass a certain scholastic examination, he was refused promotion.

Mr. WEBSTER.—He has been driven out of the service.

Mr. WILKS.—I was not aware of that; but his experience may be that of any other man in the ranks. We all know that it is easier to pass an examination in our school days than it is a few years later, and that a man cannot apply himself so closely to study as can the boy who has just left school. My idea of many of those possessing high academic degrees is summed up in the words of Carlyle, who spoke of them as being little men with big crutches. We often find that a man who has had a brilliant University career is in the practical walks of life.

Many of the men who went to South Africa, and who possessed high academic degrees, were often found absolutely wanting as practical soldiers. I have very little faith in scholastic examinations in respect of military service. Without desiring to reflect on any honorable member, I would point out that there are among our number some who can claim to have been gold medalists, and yet, so far from their being effective or useful members of this House, they are lost in the ruck. I know from personal experience that a good deal of what was said by the honorable and learned member for Corio was true, and that for many years there were in our permanent service officers who were nothing more nor less than derelicts. I was personally acquainted with a number of them, and know that they were simply pensioners on the State. Their vitality was exhausted, and their mental powers impaired, so that in time of need they would have been almost useless. It is because of that knowledge that I have on several occasions opposed the granting of large sums for the upkeep of our Military Forces. I agree with the honorable and learned member for Corinella that discipline must not be impaired.

Mr. FISHER.—But it must apply to both officers and men.

Mr. WILKS.—Yes. While the ranker is compelled to act according to the canons of good taste, a similar obligation must rest on the officer. In Australia the ranker cannot any longer be despised. I know, not from personal acquaintance, but from a knowledge of his history, that one of our most expert State commandants was originally a ranker in the artillery service, and obtained his present position only after years of struggle. There has been no keener or better mathematician in our military forces; but, time and again, social influence was brought to bear against him in New South Wales, because certain colonels, when in the service, were opposed to his advancement, for the reason that his wife did not belong to the same social grade as their wives belonged to.

Mr. FISHER.—That is a more serious charge than the charge made by the honorable and learned member for Corio.

Mr. WILKS.—Not a more serious, but an equally serious charge. While I agree with a good deal that was said by the honorable and learned member, I do not think that he gave sufficient reasons for the

appointment of a Select Committee. The regulations into which he wishes it to inquire can be taken exception to by any honorable member in this House. If he puts these cases before the Military Board, or the Minister, and no notice is taken of them, he will then have the right to appeal to this House to compel the Government to do justice, but the appointment of Select Committees is absolutely becoming a scandal. I do not object to Select Committees only because of the expenditure which they cause, or the small fees which are paid to their members.

Mr. DEAKIN.—No fees are paid to members.

Mr. WILKS.—It is of no use to beat round the bush. I know that members of Select Committees and Royal Commissions are not paid so much a day for their services, but when they are travelling they receive very liberal travelling allowances. I should not, however, oppose the motion if I thought that the appointment of a Select Committee was justified in this instance. In addition to the cash expended by members of Select Committees and Royal Commissions, there is the expense incidental to the collection of information. I defy any honorable member to instance a case in which during nearly five years, the report of a Select Committee or Royal Commission has been acted on. Their recommendations are merely so much waste paper. I regard the tendency to appoint Select Committees as likely to weaken responsible Government. A Minister has only to get into an awkward corner, and an obliging member of Parliament will move for a Select Committee to get him out of his difficulty. We pay Ministers high salaries to perform certain work, and surround them with highly-paid officials to give expert advice. Why, then, should it be necessary for Select Committees to deal with matters of administration? When I have received the information for which I have asked, I intend to obtain an expression of opinion from the House on the subject of the appointment of Select Committees and Royal Commissions, and I shall address myself to the question without fear or favour of any honorable member. It is the duty of the Minister of Defence to deal with the cases which have been referred to by the honorable and learned member for Corio. At the same time, I agree with the honorable and learned member that if any branch of the service requires purging it is the military branch, and I shall always

hesitate about voting large sums for military expenditure, not because I think that money is not required for the defence of Australia, but because I know of the rotten system which exists.

Mr. CONROY (Werriwa).—I must oppose the motion, because it seems to me that the honorable and learned member for Corio can obtain redress without a Select Committee. As he is a lawyer, I regret that he should have put forward mere hearsay as evidence, and I was still more surprised to hear the remarks of the honorable member for Darwin. If there is one honorable member in the House who knows what baseless charges may be brought against a man it is the honorable member for Darwin.

Mr. KING O'MALLEY.—I beat them at the Police Court.

Mr. CONROY.—I regret, too, that the honorable and learned member for Corio mentioned the names of officers who will have no opportunity to reply to his charges.

Mr. CROUCH.—I wish to give them an opportunity.

Mr. CONROY.—The honorable and learned member's remarks will go forth to the public, but these officers, as servants of the Commonwealth, will be unable to put their side of the case. There is a way in which any private or officer may obtain a remedy for any grievance; he has only to act in accordance with the regulations provided in this case. As the honorable and learned member has not shown that the regulations are deficient, it will be my duty to vote against the motion. I shall be perfectly willing to assist the honorable and learned member, or any other honorable member, to obtain the repeal of regulations which prevent men from appealing, if such regulations exist; but their existence has not been proved. No one will ever accuse me of being too ready to back up the military. My speeches show that I do not lean in that direction. The honorable and learned member has made out no case for the appointment of a Select Committee. It appears to me that the most that can be charged against any one is an error of judgment.

Mr. KELLY.—In any case, the honorable and learned member proposes to inquire, not into the actions of the officers of whom he has complained, but into the effect of the regulations, which is quite another matter.

Mr. CONROY.—Yes. Although he made certain charges, he gave no reasons for appointing the Select Committee for which he asks, because he said nothing which tends to show that the regulations are insufficient or too arbitrary.

Mr. KING O'MALLEY (Darwin).—I trust that the motion will be carried. If the statements made in the quiet, sensible, and unprejudiced speech of the honorable and learned member for Corio are true—and they look to me to be true—they should be investigated. Some of these aristocratic officers would have no hesitation about separating a cripple from his crutches.

Mr. WILSON.—Then why not ask the Minister to investigate the charges?

Mr. KING O'MALLEY.—This Parliament is the palladium of the liberties of the Commonwealth—the institution to which every man should be able to appeal for justice; and if Ministers, inspired by their officers, fail to accord fair treatment to the members of the Defence Force, we should step in and see that all wrongs are righted. Unfortunately, men in subordinate positions are not in a position to adequately protect themselves against unjust acts on the part of their officers, and I am afraid that unless some action is taken in the direction proposed by the honorable and learned member for Corio, Corporal Watts will suffer. The military caste is gaining ground all over the world. Only a few years ago Admiral Sampson who did not fight the battle of Santiago, but left Admiral Sley to do the hard work whilst he was on dry land, endeavoured to introduce such rules and regulations as would have prevented any man, excepting the son of rich parents, from becoming a naval officer. The same thing is happening here. Only a few years ago a Minister in one of the States had the conditions for the admission of officers into the Defence Forces altered in order to permit of the appointment of a relative of some influential person who was not able to pass the ordinary examination. When General Phil. Sheridan was in command of the United States Army in the Valley of the Shenandoah, one of his aristocratic officers complained that a private had not saluted him, and when the soldier explained that he had not recognised the officer in his private dress, the General made the officer walk up and down in front of the army for three hours a day in order that every soldier should learn to recognise him. The

old aristocratic military classes of Europe are spent forces, and are no longer good for fighting purposes. It is the Corporal Watts upon whom we have to depend for our defence. Every general in the United States Army who has ever won a battle is opposed to frill, and some of the best soldiers who have fought on the battle-fields of that country were unable to pass the military examinations. Jackson and Lee, and others, failed at the military college, but they were able to fight. We want fighters in this country. I am opposed to the whole military system, which, I think, should be entirely wiped out of existence. But if we have to put up with it, we should encourage soldiers rather than ballet-dancers. Why was the French Army annihilated by the Germans? Because the former were commanded by dancing-masters. We do not read anything about the examinations which the Japanese soldiers were required to pass, and yet they were able to lick the greatest of nations upon the battle-fields of Manchuria. In this country we are endeavouring to imitate the failures of Europe. We should wipe out the whole of the military system and devote the money now spent upon defences to settling people on the land. Among the Indian tribes in Mexico the most humble of redskins can interview the great Sagamore, and can talk to him quite freely; but I understand that the Australian soldier, who has the right to vote, cannot go before an officer who wears a peacock's feather in his nose. According to the honorable and learned member for Corio, a private soldier is not admitted into the presence of one of these gilded-spurred roosters. We are required to vote £700,000 or £800,000 per annum in order to support a military sham. I shall support the motion, because I think that the Military Department is, of all others, a fit subject for close investigation. I want to have some of these dancing-masters examined. If Corporal Watts had money—and it makes me sick to hear it stated that money does not count in Australia—it would not make any difference if his mother was a laundry woman, or his sister was married to a Chinaman. So long as he had £5,000 a year, and could give a ball two or three times a year, and shout champagne for his superior officers he would be all right. That is the kind of thing to which I strongly object. The time has come for a full investigation, which I hope will result in a

decision to entirely abolish our military system. So long as we are a part of the British Empire no nation can attack Australia without also attacking Great Britain. As a nation, we are at peace, and are engaged in commerce with all the nations of the earth, and it is about time that we came to the conclusion that our defence forces are an incubus. I hope that the Committee will be appointed, and that the result of their inquiry will be the beginning of the end of the whole of our military pomp and parade.

Mr. KELLY (Wentworth).—Honorable members were in the first place asked to appoint a Select Committee to report upon the military regulations, with a view to their being amended in such respects as might be considered desirable. The honorable and learned member for Corio, however, did not deal so much with the defects of the regulations as with the administration of certain officers. He did not devote his attention to showing that the regulations were not drawn in such a way as to insure discipline, and, what is equally important, content and good feeling among the members of the forces. Then the honorable member for Darwin has characteristically objected to the maintenance of a lot of gilt-spurred roosters, and has at the same time rolled off his tongue in a way that other honorable members have found it impossible to imitate a number of high-sounding titles, such as that of the Grand Sagamore of the Mexican Indians, and of various gentlemen of the Courts of America, of which the honorable member was at one time an ornament. He told us that the question we had to consider was whether or not we should encourage frill in the Department. Honorable members will therefore see that the debate has been carried far beyond its original scope.

Mr. PAGE.—The regulations deal with frill as well as with other matters.

Mr. KELLY.—So far as that matter is concerned, I am in entire accord with what I know to be the views of the honorable member. The first question we have to consider is whether such reasons have been advanced as would justify us in appointing a Select Committee to make an inquiry into the regulations. The honorable and learned member for Corio did not advance any such reasons.

Mr. PAGE.—The Government are amending the regulations.

Mr. DEAKIN.—Yes, we have just had them revised.

Mr. KELLY.—I was about to mention that phase of the question. The Government are amending the regulations, and therefore the honorable and learned member for Corio had only to wait until they were brought before the House in order to move in the direction of their amendment if he so desired.

Mr. CROUCH.—That has been attempted in the Senate in regard to other regulations, and it has proved an impossible procedure, because unless a motion bearing upon them be debated and adopted within thirty days, the regulations are in force.

Mr. KELLY.—I fail to see that it would be possible for a Government to deliberately postpone consideration of these regulations until such time as a motion relating to them would lapse.

Mr. CROUCH.—The motion which I submitted this afternoon has been upon the notice-paper for more than thirty days.

Mr. KELLY.—But the honorable and learned member would be at liberty to move the adjournment of the House at any time for the purpose of directing attention to the action of the Government in refusing to provide an opportunity to debate regulations laid upon the table for indorsement. Inasmuch as the honorable and learned member has not officially asked the Government to amend the regulations in a concise way—

Mr. CROUCH.—I forwarded these suggestions to the Minister of Defence some four years ago.

Mr. KELLY.—May I ask the honorable and learned member whether he desires any special regulations to be amended?

Mr. CROUCH.—I have written officially to the Minister in regard to two of them, but there are about twenty which require amendment.

Mr. KELLY.—I ask the House to consider the number of regulations that have been framed under the Defence Act of 1903. There are regulations governing almost every conceivable subject. For instance, there are regulations governing the conduct of a military college, the enrolment of all persons liable to service, the rates of pay for all branches of the Forces, leave of absence and furlough to members, the convening, composition, and procedure of courts-martial; the assurance of the lives of married men, the formation and management of rifle clubs, the control of rifle associa-

tions, &c. If the motion under consideration contemplates dealing with only twenty regulations, those regulations should be definitely set out. It seems to me that the honorable and learned member for Corio is asking for powers which we ought not to grant.

Mr. CROUCH.—An inquiry by a Select Committee would occupy only about three days.

Mr. KELLY.—The honorable and learned member has had considerable experience of Select Committees. Does he mean to tell me that a body comprised of the gentlemen whose names are specified in this motion, would be content to scamp an inquiry of so far-reaching a character? We all know the way in which Select Committees examine their witnesses. The unfortunate victim is placed at the head of the table. The chairman conducts the examination-in-chief, and the members of the committee then cross-examine the witness, in rotation. The majority of those members are not lawyers, and are, therefore, not gifted in the art of cross-examination. Then the honorable and learned member for Corio should have shown whether this Committee would be qualified to deal with these intricate and technical questions. I do not think that he should have allowed so important a point to escape his attention. I question whether the gentlemen whose names are mentioned in the motion are qualified to act as an expert body upon all phases of the Defence regulations, a few of which I have detailed.

Mr. WEBSTER.—Nobody suggests that they should undertake that task.

Mr. HENRY WILLIS.—Most of them are military men.

Mr. KELLY.—Honorable members, who have seen active service, are not necessarily qualified to deal with all sorts of defence subjects, apart from the particular branch with which they have been associated.

Mr. SALMON.—They are better qualified than are those who have not seen service.

Mr. KELLY.—I agree with the honorable member. But why appoint a Committee at all, when we merely require to lay down general rules for the guidance of those who frame these regulations? I am quite at one with those who urge that there should be no such thing as caste in our Military Department. The only recommendation for promotion in the service should be efficiency. The moment the Minister has his

attention directed to the fact that this House does not consider that candidates should be examined in certain subjects, he will doubtless notify the responsible officers to that effect, and they will give effect to our wishes.

Mr. PAGE.—Under the new regulations, the Minister has no more power than has any other member of the Council of Defence.

Mr. KELLY.—I think that the honorable member for Maranoa will admit that effect must be given to the desires of the Government. We all know that one of the principles laid down by the members of the Socialistic Party is that the administration of the various Government Departments should be free from all political influence, and that, therefore, they should be placed in the hands of Commissioners. The honorable member for Bland has frequently stated that every new Department which is created should be administered in the same way as are our railways. What the honorable and learned member for Corio proposes is that we should exercise over the Military Commission a control other than the legitimate control which this House exercises over all Departments. The legitimate control which we should exercise over all Departments is through the Government. When honorable members are of opinion that an Administration is not fulfilling its proper functions of watching the administration of Departments, it is their duty to displace it. Certainly it is not their duty to appoint a Select Committee to inquire into the matter. I have already said that the only guide to promotion in the Defence Department should be efficiency. When the Government, of which the honorable member for Bland was the head, was in power. I drew attention to a number of hardships to which non-commissioned officers were subjected. I pointed to a few instances similar to those which were alluded to by the honorable and learned member for Corio, in which officers who had received the King's commission upon the field in South Africa had been denied promotion here on their return to the Commonwealth. That is much to be regretted. It is a loss not only to the officers themselves, but to the Commonwealth, that we cannot retain in these responsible positions those who have so signally served their country in the field.

Mr. PAGE.—That is what the honorable and learned member for Corio has contended.



Mr. KELLY.—I am absolutely with the honorable and learned member so far as that point is concerned.

Mr. CROUCH.—I brought the matter up three years ago, and should like to see a new regulation dealing with it.

Mr. KELLY.—There should be such a regulation. We should ask the Government to see that those who have served their country so well shall receive at the hands of the Commonwealth the recognition to which they are entitled. I have shown what I consider to be the course which this House should adopt. I brought this question forward, and asked the Ministry of which the honorable and learned member for Bland was the leader to consider it, with a view to rectifying the anomaly.

Mr. PAGE.—But the honorable member voted against that Government.

Mr. KELLY.—That was on general principles, which were manifestly just.

Mr. CROUCH.—Would it not be fair to appoint the Committee for which I ask, and to refer the question to it?

Mr. KELLY.—I certainly do not think so. We should not in that way facilitate action in the matter. Numberless Select Committees have been appointed, and re-appointed session after session, by both branches of the Legislature, and they are doing a voluminous work; but there seems to be no finality to their investigations.

Mr. PAGE.—There will be in this case.

Mr. KELLY.—I understand that it is vouched that this Select Committee, if it be appointed, will furnish its report in a very short time.

Mr. PAGE.—It will take a month to report.

Mr. KELLY.—Is the honorable member sure that the members of the Committee would not have to work overtime?

Mr. WEBSTER.—The honorable member is trying to talk the motion out.

Mr. KELLY.—I do not wish to delay the House dealing with the matter. My desire is that we shall proceed to a vote, if the Government will consent, and that we shall deal with the proposal for a Select Committee in the way that all such propositions should be dealt with when no sufficient reason is forthcoming for the appointment. The honorable and learned member for Corio did me the honour of asking me to join the proposed Committee, and I regretted at the time that I was not in a position to do so. The reason I refuse to serve on it is that I think that, in the first place,

the less political influence—and I use the term “political influence” as opposed to “proper parliamentary control”—we exercise on a great Department that depends so largely for its efficiency on discipline, the better for the service of this country.

Mr. PAGE.—Then we might as well let the military officers run the show.

Mr. KELLY.—I do not propose that they should do so. I should like to see the House lay down principles which should guide the Department in its general control.

Mr. PAGE.—We have done so in the Defence Act.

Mr. KELLY.—If those general principles have been ignored, it is the duty of the House to call on the Administration of the day to see that they are henceforth properly carried out. If the Government of the day will not take action, it is our duty to get a Government that will.

Mr. WEBSTER.—Could not such a Committee as is proposed indicate to the Government what ought to be done?

Mr. KELLY.—What would be the use of appointing a Committee to do that? If the House could not successfully indicate its wishes to the Government, how could a mere Committee do so? If the Government did not wish to take action, if it were so absolutely stiff-necked that it refused to act in accordance with the wish of the House, would it not ignore a report by a Select Committee? While I am of opinion that soldiers should be treated as soldiers, and kept as far removed as possible from political influence of the sort that is behind this motion, no one recognises more than I do the duty—

Mr. WATSON.—Surely regulations are a matter of policy, and, as such, are a proper subject for political interference.

Mr. KELLY.—The honorable and learned member for Corio has given us no evidence of faulty regulations; he has simply shown that the regulations are faultily administered. Unless the House is prepared to admit that it has outlived its usefulness—that it cannot do its own work, but must delegate it to Select Committees—we ought to refuse to pass the motion. I shall not vote against it from any desire that a system of class distinction should continue to exist—if it does exist, as alleged—in the military services of the Commonwealth; I shall vote against it solely because I believe that if the Select Committee were appointed, and allowed to deal with all the

technical phases of the Defence regulations, it would not be in the interest either of the Department or of those officers and men who are so well carrying out the duties which this House has intrusted to them.

Mr. PAGE (Maranoa).—The debate has conclusively proven to my mind that even if a Select Committee be not appointed, some inquiry should be made into the charges that have been levelled against the Defence Department by the honorable and learned member for Corio. I desire to thank him from the bottom of my heart for the way in which he has exposed the tactics of certain military officers, and stood up in defence of the rank and file of the Commonwealth Army. Having served in the ranks, I know how important it is that discipline should be maintained, and, like the honorable member for Wentworth, I fear that a Parliamentary inquiry might be subversive of true discipline. Once we set aside discipline, we might as well let the whole system go by the board. If members of the Commonwealth Forces can induce honorable members to air their individual views in this House, all semblance of discipline will quickly disappear. Whatever we may do, our desire should always be to see discipline maintained, not only among the men, but among the officers of our forces. The honorable and learned member for Corio has certainly disclosed a scandalous state of affairs. I felt highly indignant when I heard that an officer and a gentleman had so far forgotten himself as to put to a candidate for promotion such questions as those to which reference was made by the honorable and learned member for Corio.

Mr. WATSON.—If he put such questions, was he a gentleman?

Mr. PAGE.—No; no one but a cad would have made such inquiries. So far as military service is concerned, it is immaterial what a man's position in life may have been. We have only to turn to the life of Napoleon, and to remember where he obtained his brainiest men.

Mr. DEAKIN.—Napoleon's marshals.

Mr. PAGE.—All his marshals were men of lowly birth. I know of many men who proved themselves soldiers in the fullest sense of the word, and yet were of lowly birth. I have known men to be promoted from the rank of gunners in the artillery, and of troopers in the mounted forces, because of their gallant deeds in the field. I remember hearing Colley say of privates who had distinguished themselves in the fields of South Africa, "These men are

soldiers, and must be at once promoted." When men are promoted on the field in this way, surely promotion should not be refused a man in the Commonwealth Forces for no other reason than that he is of lowly birth. I would remind honorable members that when the present Treasurer was introducing the Defence Bill, he said, *emphatically*—and I believe he meant every word that he uttered—that, so far as he was concerned, every private in the ranks should have an opportunity to qualify for the post of General Officer Commanding if he had the requisite ability. He declared that if a ranker showed merit, promotion would not be denied him. But since the passing of the regulations framed under the Defence Act, a military caste had been created by our officers, and men who are not of social rank or of noble birth are strictly tabooed. The sooner we rid the Commonwealth of such a system the better. The honorable member for Laanecoorie some time ago brought under notice the case of two men—the one being a man of means with influential friends, and the other having neither influence nor money—who had applied for promotion in the forces, and he showed that the man without social influence was denied promotion.

Mr. SALMON.—But he obtained it.

Mr. CROUCH. — Senator Dawson, when Minister of Defence, saw that justice was done him.

Mr. PAGE.—I know that the honorable member for Laanecoorie was put to much trouble in seeing that justice was done to this man. He interviewed the Minister, and also the General Officer Commanding, but they constantly put him off. I am very pleased to hear from the honorable and learned member that the man did get on. The honorable member for Wentworth said that the regulations open up a field in which technical knowledge is required; but if honorable members are not competent to deal with them, it is a strange thing that the Act requires that they be laid on the table of this House, so that we may suggest improvements or alterations, or make any objections in regard to them. If the regulations are too harsh, this is the proper place in which to complain about them. I am very pleased that the special board has been done away with. A man used to be brought before that board, and before being allowed to compete for the rank of an officer, practically court-martialled, or, as they say in the service, paraded and carpeted. Fancy being asked

who one's father and mother were, who one's sisters are, to whom they are married, and what are their social positions! I would smack a man in the jaw very quickly if he asked me such questions. It does not matter whether my mother is a laundry woman or anything else, she is still my mother; and I would not allow any one to insult me by asking questions about her. If I had been in Watts' position, I would have moved heaven and earth to obtain my just rights. If what the honorable and learned member for Corio has stated is true, the officers to blame deserve, not censure only, but cashiering. In the Imperial Service, the Duke of Cambridge used to ride along the ranks at parade at Woolwich, or any of the other garrison towns, once a year, and any man who had a complaint to make could, if every other remedy failed, step out and state his grievance to the Field Marshal. Apparently, however, the Commanding Officer could not be approached by Corporal Watts. But if in the Imperial Service a private may approach the Field Marshal, surely our officers should not consider themselves so great as to be unapproachable. There is another aspect of the case. We find Colonel Ricardo saying that a man is a fit subject for promotion, but three or four months afterwards, when this special inquiry board has sent word that his mother is not of the right stamp, or that his sisters are not married correctly, or has raised some objection of that kind, Colonel Hoad turns round—

Mr. DEAKIN.—What Colonel Hoad did was to refer the matter to the officer who had made the recommendation.

Mr. PAGE.—He asked the recommending officer, "Do you still recommend him in the face of this evidence?" If the Prime Minister were to recommend a man, would he not first make inquiry about him? Colonel Ricardo recommended this man as competent to present himself for examination. So far as examinations are concerned, the man has shown himself worthy of every honour and credit. The honorable and learned member for Corio has said that he has a continuous record of successes from the day he joined the service until the present day. He is a top-notch in everything that he has undertaken—gunnery, flag-signalling, and everything else. His sleeve is covered with badges of distinction. He has served in the field in South Africa, and has been promoted there, being made a lieutenant.

He did not require Latin or Greek when in South Africa, neither did those in authority there wish to know what his father and mother were. Yet, when he comes back home, instead of getting honor and glory, he is told that he is not wanted, because his social rank is not sufficient. Is that the way to treat our soldiers? Is that the way in which any of us would like to be treated? If the man is good enough as a fighting machine, he is good enough to be an officer. He may not be able to do the "lah-de-dah" in the drawing-room, or to parade round the ladies at a garden party; but he must have been a man and a soldier to have gained distinction on the field. That is the point which I wish to make. I should like the Prime Minister to find out why Colonel Ricardo went back on his first recommendation. I know that officer well, and some honorable members may have heard how he distinguished himself in South Africa. He ought to be an authority as to what constitutes a soldier and a man, because he got roasted enough in the Queensland Courts on the subject. If ever a man suffered, he did, and he should be the last to try to put another into a hole like that in which he was at one time in Queensland. I thought that he had forgotten all about that sort of business, and would give every man a square deal. I did not expect this of him. But I shall not condemn him until I know why he changed his mind in regard to this man. We do not desire that a military caste shall spring into existence in Australia.

Mr. KING O'MALLEY.—We have got one already.

Mr. PAGE.—I am sorry to think that the seeds have been planted, but it is within the power of the Prime Minister to root them out, and the regulations framed by the honorable and learned member for Coriella will go a long way towards doing so. If those regulations were carried out in accordance with their spirit, there would be no trouble. I appeal to the Prime Minister to see that the charges which have been made by the honorable and learned member for Corio are either refuted or proved.

Mr. WEBSTER (Gwydir).—I wish to say a word or two on this matter, because it seems to me that the main issue is being lost sight of to some extent by the discussion of the details of the several charges which have been made by the honorable and learned member for Corio. The members of the Opposition seem to think that it is not the function of this House to investigate actions which seriously imperil the

efficiency of the Military Service. I cannot see that the appointment of a Select Committee to inquire into the truth of the definite statements which have been made will interfere with discipline, and we are far more likely to impair the efficiency of the service by refusing to let in the light upon these matters than by making an investigation. In a country like this, every one should know that Parliament represents all sections of the community, and that no military caste can be successfully set up. Delicacy should not prevent us from fully considering this matter. Are not the records of the Parliament of the mother country full of instances, known to the students of history, in which members have dealt with matters of military administration? Was it not objected, when members of the House of Commons tried to abolish the cruel system of flogging, which, at one time, prevailed in the Army, and the abuse to which it led, that by doing so, discipline was likely to be interfered with? To say that we have no right to voice the wrongs of the humblest man in the service is to misunderstand our sacred obligations. The late Minister of Defence said that he had looked through the papers relating to the case of Corporal Watts, and was of opinion that he could do nothing but concur in the recommendations made. Yet he admitted immediately afterwards that those recommendations were made under regulations which were so bad as to require amendment, and that he, therefore, caused a new set of regulations to be framed, which would prevent the recurrence of similar abuses in the future. His position was that he concurred in recommendations under which a man suffered injustice, because of the regulations then in force, but that if the new regulations, which were framed because of the treatment meted out to this man, had been in existence, he would have been entitled to very different treatment. What will be the position, if a Select Committee is appointed? Is it to be supposed for a moment that it would do an injustice to either the men or the officers of our Defence Forces? Could it be suggested that the members of the Committee would not have as much regard for the good name of Australia as would any other members of this House? Honorable members who have opposed the motion have entirely begged the question. We have been told on previous occasions when abuses have been brought under our notice that any attempt at investigation would probably involve an interference with dis-

cipline, or hamper those who have charge of the Forces, and it invariably happens that obstacles are placed in the way of inquiries such as that now proposed. Take the case of the administration of the Lands Department in New South Wales. Although it was well known that that Department was being administered in a manner inimical to the best interests of the people, those who agitated for an inquiry were told that the case which they had brought forward was not strong enough to justify their proposal. They were told that it was not right to proceed upon mere hearsay information. We now hear the same old cry. Results are not only justifying the appointment of the Lands Commission in New South Wales, but they are showing that those who placed obstacles in the way of the appointment of the Commission at an earlier date were guilty of criminal neglect of their public duties. We are told that we should not appoint the proposed Select Committee because its inquiries might result in offence to the heads of the Military Department. The jealous regard which has been shown for the rights and privileges of the officers of the Defence Forces indicates to me that existing conditions are in accord with the desire of some honorable members; they evidently fear that an investigation might result in radical changes. I shall support the motion, because I think that a very strong case has been made out by the honorable and learned member for Corio. No man should have been subjected to the indignity which Corporal Watts had to suffer. The honorable member for Maranoa very plainly indicated what would have been the result had such questions been put to him. That, however, was not the worst feature of the case. Corporal Watts was not able to make his way to the fountain head of justice. He was thwarted at every turn. His case was not allowed to be placed before the Minister, or to filter through him to Parliament. That seems to me to be the gravamen of his case. I would appeal to the Prime Minister to consent to the appointment of the proposed Committee, whose investigations need not occupy any great length of time. We need not have such a rambling inquiry as was indicated by the honorable member for Wentworth. I do not desire to see any affront put upon the officers of the Defence Forces, but we should make it perfectly clear to them that they are directly under the eye of this Parliament—that they must treat

their men fairly, and that if they do not their presence in the Forces will no longer be tolerated.

Mr. SALMON (Laanecoorie).—When the Defence Act was passed, it was specially provided that Parliament should not lose its control over the Defence Forces, and I think that those honorable members who are urging that the appointment of the proposed Select Committee would involve an interference with discipline, and would have a prejudicial effect upon the Forces, must have lost sight of the fact that Parliament has specially reserved to itself the right to review everything that occurs in this Department. Honorable members must have been deeply pained when they listened to the honorable and learned member for Corio, and it must have been a matter of keen regret to the Prime Minister to hear such charges made against the officers of the Defence Forces. We have been told that we have heard only one side of the case; but, judging from my own experience, I am afraid that only too much of what has been stated by the honorable and learned member is true. I fear that if an inquiry is made it will transpire that certain men have been subjected under the regulations to hardships which were never contemplated by honorable members when the Defence Act was passed. I recognise that we are treading on very delicate ground in taking action upon *ex parte* statements. But I feel that the cases which have been brought under our notice are so strong that if we declined to order an inquiry of some sort, we should lay ourselves open to a charge of gross dereliction of duty. A grave responsibility rests upon us, and we should take care to completely purge the Defence Forces of all those elements which conduce to disgraceful proceedings such as those described. During the time that Major-General Hutton was General Officer Commanding, the discipline of our Force reached its highest point. The most complete discipline was enforced, from the second in command right down to the latest recruit. Since the departure of Major-General Hutton, however, the discipline which was previously exerted in the case of the officers has been relaxed, and rigorous conditions have been applied only to the lower ranks of the service. The late General Officer Commanding brought with him from the old country rather extreme ideas, but they had the merit of equity in that they were applied to all ranks. That cannot be said

of present conditions. Whether these matters can be dealt with under regulation or not is open to question. We have one body constituted under the Defence Act which might deal with such subjects most effectively, but unfortunately it is composed very largely of officers such as those who have been criticised this afternoon. I feel sure that the Prime Minister will take steps to insure a searching investigation, and that the inquiry will be conducted not by those immediately concerned, but by persons who will not be in any way affected by the result. The Prime Minister has been good enough to allow me to glance at the proposed new regulations, and I regret to say that, in one respect, at all events, they do not appear to me to provide for any improvement upon those now in force. I believe that, if some have their way, the *morale* of the Army Medical Corps will be most seriously interfered with, and that we shall not be able to preserve what I advisedly call the high state of efficiency to which that branch of the Forces has attained. I would urge upon the Prime Minister the desirability of bringing this matter under the notice of the Minister of Defence. I shall be satisfied to abide by his decisions. An unusual position arises in regard to the Army Medical Corps. In the old country it was provided that professional members of the forces, such as members of the medical profession serving in the Army Medical Corps, should rank equally with combatant officers. That rule has been adopted here, and at present the head of the Army Medical Corps is of higher rank than the Inspector-General of the Commonwealth Forces. We have been exceptionally fortunate in securing the services of General Williams, who proved in South Africa that he was a man of capacity, and with exceptional powers of organization. I need only remind honorable members of that magnificent contingent of the Army Medical Corps which was despatched from New South Wales to South Africa during the Boer War, and which, under General Williams, showed that it was capable of doing work that had never before been attempted by the Royal Army Medical Corps. General Williams won his promotion in the field, and now has a world-wide reputation. He is the senior military officer of the Commonwealth, and I do not think that under the proposed new regulations he will be supported as he should be. It is necessary to maintain the

Army Medical Corps in a high state of efficiency in times of peace. We have heard of what can be done in the way of organizing fighting forces upon the spur of the moment, but the organization of the Army Medical Service is a matter that cannot be undertaken at short notice, and our regulations must be so framed as to permit of that branch of the service being thoroughly trained. I feel sure that, irrespective of whether or not a Select Committee be appointed to inquire into the matter, much good will result from this debate. I recognise that in the Prime Minister and the Minister of Defence we have men who will sift these complaints to the very bottom, and who will see that action follows their investigations. Whether the motion be carried or rejected, the honorable and learned member for Corio will, therefore, have cause for satisfaction.

Mr. LONSDALE (New England).—I am not in favour of the appointment of the Select Committee proposed, because I think that the creation of such a body would relieve Ministers of their proper responsibility. I claim that we should hold them responsible for seeing that justice is done to the men referred to by the honorable and learned member for Corio. I also think that the appointment of a Committee would scarcely accomplish the object which he has in view. His object is to right certain wrongs which he alleges have been committed under the Defence regulations. There is absolutely nothing in this motion which would permit of an inquiry being made into specific cases. The right to inquire into the Defence regulations does not confer the right to inquire into specific cases of injury. I do not think that we should interfere in these matters beyond impressing upon Ministers the necessity of doing their duty. If any wrongs have been done it is the duty of the Government to right them. I was astounded when I heard the statement which was made by the honorable member for Maranoa this afternoon, and I admire him for his spirit. If the questions to which he referred had been addressed to me, I should probably have acted as he suggested, and have been court-martialled for striking an officer. I hold that wealth confers upon us no rights other than those enjoyed by our fellows. A man who has neither rank nor money is, nevertheless, the equal of any other individual, so long as his character is good. I do not

hold myself inferior to the Governor-General, Lord Northcote. I claim that as a man I am his equal.

Mr. CROUCH.—If the honorable member believes that, why does he not vote for this motion?

Mr. LONSDALE.—I say that the honorable and learned member will not achieve his object by the appointment of a Select Committee.

Mr. CROUCH.—I wish to deal with principles.

Mr. LONSDALE.—The honorable and learned member, I presume, desires that the wrongs of certain individuals shall be righted. I am quite in sympathy with his object. If the men to whom he has referred have lost positions to which they were entitled by reason of their merit, simply because their mothers may have been washerwomen, I say that they have been badly treated. There are many women toiling at the wash-tub who scarcely secure enough to eat, and who are superior to many who are rolling in wealth and ride in their carriages. The possession of wealth is no test of manhood or womanhood, and this House should not tolerate any distinctions of that kind. I feel very strongly upon these matters. I do not wish to point to my genealogy. I care not what my father or any of my relations may have been. I do not wish the world to judge me by them. It does not matter how noble they were if I am ignoble. Every man should stand upon his own merits. It is an outrage that men who have sprung from lowly origin should be refused positions to which their merit entitles them. The great Napoleon told his soldiers that every one of them carried a field marshal's bâton in his knapsack. That is the spirit which should be fostered here. No man should be questioned as to his antecedents. I am not in favour of spending large sums of money upon military organizations. If this Parliament and those of the States enacted proper legislation, they would cover the broad lands of this Continent, which are now held by a few monopolists, with tens of thousands of men and women, having happy homes and deriving their livelihood from the soil. If that condition of affairs obtained, we should not want to maintain much of an army. We should have people who would defend their homes to the last gasp, with the result that no nation would be able to invade this country. The sooner we set about the task of putting our house in order by placing men

and women on the soil, the sooner the pressure upon us for expenditure upon military matters will pass away. We allow men to grow wealthy by our foolishness, and not by reason of what they earn. Then they parade their wealth as an evidence of their superiority. That is what we do in these democratic lands. I have no objection to the acquisition of wealth by any man. Every individual is entitled to what he earns, but he has no title to that which somebody else produces. If we gave every man what he earned, we should soon have a power in this land which would be able to resist all invasion and enable us to dispense with the large expenditure which we now incur upon defence matters. I am totally opposed to any military caste, but I am not in favour of dealing with it by the method proposed by the honorable and learned member for Corio.

Mr. LEE (Cowper).—After the discussion which has taken place upon this motion, I think that an inquiry is absolutely necessary in the interests, not only of the men, but of the officers whose names have been mentioned. Certain charges have been made against some of the officers, and a Select Committee is the proper tribunal to investigate them. I do not see why the Minister of Defence should be asked to undertake that task. At the same time, I think that the honorable and learned member for Corio should have first brought this matter under the notice of the Minister privately. Then, if he could not obtain redress, he would have been justified in drawing the attention of the House to the question. This afternoon nobody has made a more serious charge than the honorable member for Dalley, and it is only his objection to the appointment of Select Committees and Royal Commissions which induces him to oppose this motion. Personally, I am of opinion that we should let the world know that these military officers are responsible to this Parliament. In the interests of the Defence Department, I believe that the appointment of a Select Committee will result in much good, and therefore I shall support the motion.

Mr. KNOX (Kooyong).—I am in entire sympathy with many of the remarks which have been made during the course of this debate. It seems to me that there is need for an inquiry into the charges which have been levelled against certain officers. I believe that that feeling pervades the whole House. The humblest unit in our military service should be taught to feel that he

can rely upon justice being meted out to him, and that if he possesses the necessary merit there is no reason why he should not receive promotion. It is undesirable, perhaps, that this matter should be taken out of the hands of the Minister of Defence. But seeing that the names of two officers have been specially mentioned, it seems to me that they will demand that there should be a proper investigation of the charges preferred against them. Unless we can instil into the mind of every member of our Military Forces the knowledge that he has a fair chance of promotion—assuming that he possesses the necessary qualifications—we shall never create in Australia that citizen soldiery upon which our defences must ultimately rest. The disclosures which have been made to-day seem to me to deserve thorough consideration at the hands, not merely of the Ministry, but of the Parliament itself. It is essential, above all things, that we should encourage a sense of security, and the feeling that justice will be meted out to the humblest man in the community.

Mr. STORRER (Bass).—The honorable member for Cowper has largely expressed the opinions that I intended to put before the House in reference to the position of the officers in question. It seems to me that they, as well as the men, have a right to be heard, and that even in their interests an inquiry should be held. To my mind, an investigation should be made by a Select Committee representing all parties in the House. Unfortunately, if a proposal is brought forward by the Government, it is at once viewed from a party stand-point, and it seems to me that it would be better in the circumstances to have this question dealt with by a thoroughly representative Committee. The whole question of the state of our Military Forces requires to be carefully considered. Honorable members will readily recall an incident which occurred last year, when a whole corps in one of the States was disbanded, as the result of action taken by the Government of the day on the reports of responsible officers. An independent, impartial inquiry by a Committee free from all party considerations would be valuable, and would be of service, not only to the men, but to the officers themselves. I fully agree with those who have said that promotion should not be denied to a man in the ranks. At the same time, discipline must be observed, and if a Committee were appointed, as proposed by the honorable and learned member

for Corio, it would be able to place on the right shoulders the responsibility for what has occurred. I have no doubt that it will be found in the end that there are faults on both sides.

Mr. DEAKIN (Ballarat—Minister of External Affairs).—I do not propose this afternoon to address myself to the merits of this question, because, in addition to the disability that attaches to me as temporarily representing my honorable colleague the Minister of Defence, the information supplied to me in anticipation of the motion being submitted related to matters upon only one or two of which the honorable and gallant member for Corio has touched. In view of the serious development that has taken place in the course of the debate, it is necessary that I, or some other member of the Government, should be fully equipped, in order to be able to fittingly discuss the several questions that have been broached by the honorable and gallant member. Some of them relate to administration, some to legislation and regulation, and others to matters of policy. The names of individual officers have been mentioned, and they, too, are entitled to a reply. I am quite certain that the strong sympathies of my honorable colleague the Minister of Defence will be with those who have contended in the House for absolute equality of treatment to all ranks of the service, and for a sense of reciprocal obligation among them extending from the highest to the lowest. I propose to call his attention to every matter that has been mentioned during the debate this afternoon. I have also obtained from the honorable and gallant member for Corio a statement of further points in connexion with the regulations, which he desires examined. It seems to me that it would be an advantage to have the new regulations dealt with in the ordinary way—they have to be laid on the table of the House—and placed in the hands of honorable members, in order that they may learn how far any of the objections urged have been already anticipated, and how far the regulations fall short of what is required. Then, when the House resumes the discussion of this question, I hope that the Government will be able to submit a proposal that will meet with the general assent of those who take an interest, as I trust we all do, in the proper development of our citizen forces, and the defences of Australia. I move—

That the debate be now adjourned.

Motion agreed to; debate adjourned.

## PENNY POSTAGE.

Mr. LEE (Cowper).—I move—

That, in the opinion of this House, the penny postage system should be extended to all parts of the Commonwealth.

I trust that the motion will commend itself to the House as one that will be received with much satisfaction throughout the Commonwealth. I feel assured that the people will heartily indorse my proposition, and that I shall be able to show, before I resume my seat, that the establishment of a system of penny postage throughout the Commonwealth would not be attended by so great a deficiency in the postal revenue as is estimated by the Department. Honorable members are aware that during the last few years great changes have taken place in the Commonwealth postal system. It is only a few weeks since that the subsidy granted to the Orient Shipping Company for the carriage of our overseas mails was largely increased, and, concurrent with that increase, the postage on letters for the United Kingdom was reduced from 2½d. to 2d. I am unable to say what were the reasons leading to that reduction, but assume that it was thought that—as was the case in connexion with the introduction of penny postage in Victoria—it would result in an increased revenue. Honorable members have also, doubtless, observed the cablegram published in the press a day or two ago, stating that a proposition had been made for universal penny postage, and I trust that the time is not far distant when such a system will be in operation. Meantime, we should at least endeavour to have penny postage throughout the Commonwealth. The whole of the Postal Departments of the States, which in pre-Federation days were under the control of six different Ministers, are now directed by one Minister of the Crown, and the separate systems have given place to absolute uniformity. We have at the head of the Department men whose efficiency is undoubted, and who are called upon in the course of their administration to keep the expenditure as low as possible, consistent with the maintenance of efficiency. It is estimated by the Treasurer that we shall have a surplus of over £400,000 for the financial year 1905, and I hold that, instead of returning the whole of that money—which has been taken out of the pockets of the citizens—to the several States, we should be perfectly justified in devoting at least a portion of it



towards making good any deficiency that might arise from the introduction of a system of penny postage throughout the Commonwealth.

Mr. STORRER.—And so cripple the States.

Mr. LEE.—If the money were returned to the States it would be used for educational or other general purposes, and I fail to see why the Commonwealth should not expend at least a part of it in providing increased postal facilities for the people. By popularizing the service, we should increase its usefulness, and probably secure a larger revenue. As an illustration of this, I would point out that at one time a fare of 2d. was charged on the tramway running from Circular Quay to Redfern railway station, Sydney. Deputations waited on the Commissioners times out of number, and asked that the fare should be reduced to 1d., but the reply always forthcoming was that the departmental reports showed that a very serious loss would result from such a reduction. The agitation was maintained, however, and eventually the Commissioners consented to run a penny section. The result was that that section of the tramway service, instead of paying 3 per cent., as before, now yields a return of something like 10 per cent. By reducing the fares, and so popularizing the service, the Commissioners largely increased the revenue derived from it. I hope to be able to show that such would be the result of the extension of the penny postage system to the whole Commonwealth, and that we should therefore be perfectly justified in granting that great concession to the people. Since I gave notice of this motion the Treasurer has delivered his Budget statement, and I presume that honorable members have made themselves familiar with the figures which he then submitted to us. I gather from them that the revenue derived from the postal, telegraphic, and telephone services for the financial year ending June, 1902—the first year for which complete Commonwealth returns can be obtained—was £2,372,861, and that the estimated revenue for the year 1905-6 is £2,682,000, or an increase of £309,139. Turning to the question of expenditure we find that, excluding new works and buildings, the expenditure of this Department for the year ending June, 1902, amounted to £2,430,645, or a sum considerably in excess of the revenue for that period. The estimated expenditure of the Department

for the year 1905-6 is £2,656,714, or an increase of £226,069. This large increase will be largely the result of the adoption of the reclassification scheme. The receipts for the year ending June, 1905, were £64,730 in excess of the expenditure of the Department, while the expenditure on new works and buildings amounted to £131,425. If we allow 10 per cent. for interest and depreciation—a margin that should be wide enough to satisfy any Postmaster-General—we have a credit balance of £51,588 on the year's transaction. If we take the estimated receipts and expenditure for the year 1905-6, during which the increased mail subsidy and larger salaries will have to be paid, and also make provision for new works and buildings, which are estimated to cost £217,731, we still have a credit of £3,513.

Mr. KENNEDY.—The honorable member is not making any allowance for interest on the capital cost of the postal buildings.

Mr. LEE.—I am allowing 10 per cent. for depreciation, and interest in respect of the capital cost of new works and buildings.

Mr. KENNEDY.—What about the interest on the capital cost of the whole of the postal buildings and appliances?

Mr. LEE.—We have not yet taken them over, and I am therefore allowing only for interest on the capital cost of the new works and buildings erected by the Commonwealth. I have not allowed for the cost of previous years, nor for the properties which have not been taken over by the Commonwealth.

Mr. KENNEDY.—They have been taken over, but the interest is not a charge against the Commonwealth yet.

Mr. LEE.—I wish to show that, by reducing our postage rates, we may expect to increase our revenue, and I must thank the Postmaster-General for having placed certain figures at my disposal in his replies to a series of questions which I asked. It is upon those figures that I base my arguments, and confidently ask the House to give favorable consideration to my motion. In framing my questions, I took a lot of pains to insure that the real facts of the case should be made known; and the replies which I received justify my present action. As honorable members

know, Victoria, before Federation, charged 2d. for the carriage of letters throughout the State, though there may have been a 1d. rate in connexion with the deliveries in some of her towns.

Mr. CROUCH.—No; the 2d. rate was universal. There was no special rate for towns.

Mr. LEE.—That makes my argument all the stronger. Just prior to Federation, the Victorian rate was reduced from 2d. to 1d. I do not think that it can be argued that the State is much more thickly populated or much more prosperous now than it was five years ago. The questions which I asked the Postmaster-General, and his replies, were as follow:—

What amount was received in Victoria under the twopenny postage rates for the year prior to the introduction of the penny postage rate?—Estimated postal revenue from sale of stamps used for postage purposes only for the calendar year 1900, £400,837.

Amount received last year under penny postage?—Proceeds of sale of postage stamps, &c., used for postage purposes for the calendar year 1904, £429,880.

Receipts and expenditure for both periods?—Total receipts, 1900, £590,207; total expenditure, 1900, £608,875. Total receipts, 1904, £668,283; total expenditure, 1904, £658,348.

So that while there was a loss of £18,668 on the 2d. rate, in 1904 there was a profit of £9,935 on the 1d. rate; and, taking the Budget figures, there will be a profit for the current year, after making all allowances, of £17,964.

Mr. CAMERON.—What was the loss on the 1d. rate for the first three years during which it was in force?

Mr. LEE.—Not so much as it was under the 2d. rate. I am not asking honorable members to make a leap in the dark; I am asking them to act on the proved facts. With a view to ascertaining to what extent the carriage of letters and papers had increased, I asked the following question, the answer to which will, I think, surprise honorable members, because of the magnitude of the figures:—

Increase in letters posted?—Estimated letters and cards posted in Victoria, 1904, 94,733,350; 1900, 67,563,206; an increase of 27,170,144. The figures for 1900 include all O.H.M.S. correspondence which was then carried free, and also circulars, invoices, &c., enclosed in envelopes and bearing penny stamps.

These figures show that when a service is made cheap it becomes popular, and as facilities for communication increase the revenue of the Department increases. The

receipts and expenditure of the States for last year was given as follows:—

	1904-5. Revenue.	1904-5. Expenditure, including new works and buildings.
	£	£
New South Wales ...	980,141	944,645
Victoria ...	682,565	665,303
Queensland ...	331,096	430,782
South Australia ...	266,691	255,225
Western Australia ...	257,489	286,453
Tasmania ...	112,923	115,192
Totals ...	£2,630,905	£2,697,600

or an excess of expenditure over revenue of £66,695—interest not being included in expenditure.

With regard to the Queensland loss, it must be remembered that that State is very large, and her population widely scattered; but she is a coming State, and the number of people who are flocking there will soon convert this loss into a profit.

Mr. CAMERON.—Until we had Federation Tasmania had a surplus.

Mr. LEE.—She has twice had a surplus since Federation, and it must be remembered that at the present time she is paying for her buildings and public works out of revenue.

Mr. CAMERON.—No buildings have been put up there; they will not even give us a clock.

Mr. LEE.—As the hour is nearly 6.30, I should like to be allowed to resume my remarks on another day.

Leave granted; debate adjourned.

## COMMERCE BILL (No. 2.)

Debate resumed from 18th August (*vide* page 1190), on motion by Mr. KNOX—

That the Bill be referred to a Select Committee, consisting of the following members:—Sir W. J. Lync, Mr. Lee, Mr. Brown, Mr. Glynn, Mr. Fisher, Mr. Kennedy, Mr. Salmon, Mr. Carpenter, Mr. McWilliams, and the mover.

Mr. KNOX (Kooyong). — I desire to thank honorable members for allowing me to continue my speech. Since I tabled my motion for the appointment of a Select Committee the representatives of the Chambers of Commerce of Australia have waited on the Minister of Trade and Customs, who met them very frankly and fairly, and told them that he proposed to make a number of amendments in the Bill, which, I must confess, modify very considerably some of the objections urged against it. I understand that the Minister is unfavorable to

the proposal that the Bill should be referred to a Select Committee, and, therefore, I shall have to recapitulate many of the objections urged, in order to support my contention that it is desirable, in the interests of the commercial and trading community, that the measure should be subjected to the closest examination. The Minister indicated to the deputation that he would limit the operation of the Bill to articles intended for human consumption, and to patent medicines.

Mr. TUDOR.—That is where he made a mistake.

Mr. KNOX.—I think the Minister acted very wisely. The objections raised by the commercial community are in no sense attributable to a desire to defeat the objects sought to be achieved by the measure. On the contrary, the members of the commercial community distinctly recognise that a measure that would prevent adulteration and the misuse of trade descriptions would be very serviceable, but the Bill as it stands, in their view, seriously menaces the whole of the commercial interests of the Commonwealth. It is undesirable that a Bill of a highly technical character should be practically redrafted in Committee of the whole House. A number of details requiring the closest consideration will have to be dealt with, and I think that a Select Committee would be in a very much better position to come to just conclusions as to the most effective means of bringing about the desired results. I very much regret that the Minister has not circulated the amendments which he proposes to bring forward. I take it for granted that he will faithfully adhere to the promise he made to the deputation representing the Chambers of Commerce, and that he will submit his amendments in due course. One of the main objections to the Bill is that the standardization of goods which appears to be contemplated can properly be carried out only by experts. Ministers have spoken with two voices upon this subject. The Attorney-General has expressed the opinion that standardization is not contemplated, whereas the Minister in charge of the measure holds the view that there must be a distinct indication by way of brand or description of the value or quality of the goods. Another objection to the measure is that it will place it within the power of the Customs authorities to refuse to admit goods into the Commonwealth unless certain trade secrets are divulged. This

is a particularly dangerous provision, and surely those who are likely to be most seriously affected should have an opportunity to make the fullest representations to a Select Committee. I have here statements which have been prepared by the members of the Chambers of Commerce after mature deliberation. The members of these bodies are deeply concerned in the proposed legislation, have a special knowledge of the subject dealt with, and are actuated by no other desire than that the trade of the Commonwealth should be sustained at a high level.

Mr. HIGGINS.—Could not their arguments be submitted for the consideration of this Committee?

Mr. KNOX.—I am sure that the honorable and learned member will recognise the difficulty of practically redrafting a Bill in a Committee of the whole House. Such a process is likely to result in a number of conflicting provisions, which will probably lead to serious trouble.

Mr. HIGGINS.—If necessary, the Bill could be referred back to the draftsman for reconstruction.

Mr. KNOX.—I still hold the opinion that a Select Committee could most effectively deal with a highly technical Bill of this character. I must confess that it is with a considerable amount of hesitation that I ask honorable members to add another to the already large number of Select Committees and Commissions. I do not wish to in any way to relieve Ministers of their responsibilities; but it is imperative that the measure should be considered line by line and clause by clause, in order to insure full justice, and to preclude the possibility of inflicting injury where we desire only to confer advantage. I now propose to read the opinions regarding the Bill which have been expressed by the Sydney Chamber of Commerce. That body says—

The Chamber would hail with satisfaction a well considered measure safeguarding the public health and applied to food and drugs, but as these are already provided for here, and possibly in other States, by legislation, we cannot see the necessity for any such Act as the present one. It is evident, from the list of goods stated by Sir William Lyne as being most likely to be affected by the Act, that the measure is not to be regarded as one to safeguard health, but that it is one which affects all classes of the trading community. In their opinion the Commerce Bill travels too far, and in its possible restrictions might very injuriously be used, and seriously embarrass the operations of both importers and exporters.

In the next place, if such an Act is considered necessary in the public interests, we think it should embrace all trade operations, and not deal with imports and exports only, leaving manufacturers and producers in Australia severely alone in their transactions between States of the Commonwealth.

In passing, I may inform the House that if this motion be defeated I shall feel justified in endeavouring in Committee to make the Bill applicable to local productions, as well as to exports and imports.

Mr. WATSON. — We cannot deal with goods which are not exported beyond the borders of the States.

Mr. KNOX. — I am sure that the honorable member will admit that we are quite entitled to deal with trade between the States. If the Government persist in pressing this Bill forward, I shall attempt to make its provisions applicable to Inter-State trade and commerce, as well as to foreign trade and commerce. Surely the sense of fairness entertained by honorable members will prevent them from making the measure apply exclusively to external trade. The protest of the Sydney Chamber of Commerce proceeds—

It is only when a manufacturer or producer becomes an exporter to countries beyond the Commonwealth that he comes within the provisions of the Bill, which is entitled "An Act relating to commerce with other countries."

Seeing that the measure, if passed into an Act, is to be "incorporated and read as one with the Customs Act 1901," it appears possible to have been designed as a "drag-net" to give extended powers to the Customs never anticipated or authorized by Parliament when the Customs Act 1901 was passed.

The main effects of the measure, if passed into an Act, will primarily be to harass importers, and, secondly, producers and manufacturers when they wish to become exporters.

I regret very much that I am compelled to trespass upon the patience of honorable members, but I feel that this subject is so important that I am justified in placing these protests upon the permanent records of the House. The report continues—

Clause 7, sub-section 1.—The Governor-General may, by proclamation, prohibit the importation or introduction into Australia of any goods specified in the proclamation unless there is applied to them "a trade description of such character relating to such matters, and applied in such manner as is prescribed by the proclamation or by regulations."

In addition to the very wide powers sought to be conferred on the Governor-General by proclamation, there is the insidious and dangerous (judging by past experience) power by regulation.

If we turn to the definition of a trade description we find—"Trade description," in relation

to any goods, means any description, statement, indication, or suggestion, direct or indirect—

- (a) as to the nature, number, quantity, quality, purity, class, grade, measure, gauge, size, or weight of the goods; or
- (b) as to the country or place in or at which the goods were made or produced; or
- (c) as to the manufacturer or producer of the goods or the person by whom they were selected, packed, or in any way prepared for the market; or
- (d) as to the mode of manufacturing, producing, selecting, packing, or otherwise preparing the goods; or
- (e) as to the material or ingredients of which the goods are composed, or from which they are derived; or
- (f) as to the goods being the subject of an existing patent, privilege, or copyright, and includes a Customs entry relating to goods; and any mark which, according to the custom of the trade or common repute, is commonly taken to be an indication of any of the above matters, shall be deemed to be a trade description within the meaning of this Act.

The definitions, "direct or indirect," under (a), (b), (c), (d), (e), (f), are full enough, one would think, but are added to by the inclusion of "a Customs entry relating to goods," and, further, "any mark, &c., shall be deemed a trade description within the meaning of this Act."

On any one of the above items a proclamation could be issued, or regulations promulgated—but this is not sufficiently drastic; it is made to include any description, statement, indication, or suggestion, direct or indirect, in connexion therewith.

It is clearly evident that almost any article could be prohibited on one or other of the above grounds, and that in the hands of a Minister with such powers of restriction, importations of a most ordinary nature could be forced to prohibition.

Then, further, in passing an entry, an importer is faced with a false trade description.

"False Trade Description" means a trade description which, by reason of anything contained therein, or omitted therefrom, is false or likely to mislead, in a material respect, as regards the goods to which it is applied, and includes every alteration of a trade description, whether by way of addition, effacement, or otherwise, which makes the description false or likely to mislead in a material respect.

In the majority of instances it is impossible for an importer to know of his own knowledge, say, for instance, the "measure" or "purity," the "country" or "place" in or at which goods were made, by whom they were selected and packed, the "material" or "ingredients." Yet any error or omission under clause 8 renders an importer liable to a fine of £100, or three months' imprisonment, under clause 260 of the Customs Act 1901.

Mr. DUGALD THOMSON. — All the description has to be included in the entry.

Mr. KNOX. — Exactly. The report continues—

It is, however, provided in the same section—"It shall be a defence to a prosecution for an offence against this section if the defendant proves that he did not knowingly import the goods in contravention of this section."

But the onus of proof is on the defendant, and under the Customs Act 1901, with which this measure has to be read, the proof must be to the satisfaction of the Customs. That is a most difficult task at the best of times, but under certain conditions it is absolutely impossible.

We must now refer again to clause 7. Sub-section 2 provides for forfeiture. Sub-section 3 says—

"Subject to the regulations, the Comptroller-General, or on appeal from him, the Minister, may permit any goods which are liable to be, or have been, seized as forfeited under this section, to be delivered to the owner or importer upon security being given to the satisfaction of the Comptroller-General that the prescribed trade description will be applied to the goods, or that they will be forthwith exported."

We do not know what regulations there may be, but the Council see grave objections to putting the terms of the "trade description" as applied to a particular article in the hands of the Comptroller-General.

I know that the commercial community have the utmost confidence in the present Comptroller-General. At the same time, the entire trading community feels that this is an enormous power to place in the hands of one officer, no matter who he may be. I have now dealt with the objections by the Sydney Chamber of Commerce to the provisions of the Bill so far as imports are concerned. In regard to exports—

The Council fear that under clause 5, which provides that an officer shall inspect and examine all prescribed goods; and clause 6, which provides that notice of intention to export must be given, the export trade will be seriously hampered, and the expenses incurred in the supervision for carrying out the provisions of the Act will fall very heavily on the producing interests of the State.

These expressions of opinion emanate from men who have most carefully considered the probable effect of this Bill. They say—

If the provisions of the Act mean that the goods have to be graded prior to export, no provision has been made for the appointment of graders or for their emolument, nor has any charge been authorized on the exporter; but, perhaps, all this will be attended to under the sweeping conditions of clause 14—miscellaneous. Certainly producers ought to be apprised of the intentions of the Government under the clause in question.

Merchants feel that the drastic provisions of this Bill must react upon the great producing interests of Australia. If these coercive conditions are imposed upon merchants, the latter must pass them on to the producers, and consequently the whole community must inevitably suffer. They add—

A curious anomaly seems to exist in connexion with sub-section 3 of clause 7, and sub-section 3 of clause 10. Under the former, goods im-

ported and seized as being prohibited exported. In the latter, goods prohibited not be exported. Clause 15 states—

Whoever knowingly aids and abets shall be deemed to have committed an offence, and shall be punished accordingly.

An indentor, ship-owner, drayman, or clerk, all might assist in importing a prohibited article unknowingly, but the onus of proof on accused, they will, under the Customs Act 1901, have to prove their innocence.

Having dealt with the disabilities in the measure generally, let us turn to the question of inspection. We find, first, that under this Bill any officer of Customs may inspect and examine "all prohibited goods." It is clear that such a work must be carried out only by an expert. Clause 3 of clause 5, however, places enormous powers in the hands of the officers of the Department. It is pointed out by the Chamber of Commerce that—

We fancy under the Customs Act, any article at any rate on shore, would require a licence for breaking into a store—it does not seem to be here.

Clause 6. Notice of intention to export could only work to the detriment of export. This is a series of well-thought-out objections by the Sydney Chamber of Commerce, and surely it is too much to ask of honorable members to deal with those objections, and to attempt in Committee to cast the Bill as to give satisfaction to all parties. I come now to the position taken up by the Melbourne Chamber of Commerce. That Chamber devoted many hours to consideration of the Bill, and drew a series of objections to its provisions. They hold that it would be detrimental to the trade and commerce of this State. Clause 5 and 7 are, in their opinion, in the nature of new legislation, but the remainder of the Bill is similar to the Merchandise Bill, and there is no objection to it. It was felt by the Chamber that—

Under clause 3 it would be absolutely impossible for an importer to give the details required from A to F, and it would appear that many pitfalls are provided for traders; and the object to the effect of this Bill, which is to standardize goods.

Mr. PAGE.—Where do the people come in who have to buy the rubbish that is offered for sale?

Mr. KNOX.—The interjection made by the honorable member shows that it is absolutely impossible for him to deal with the details of this Bill. I am not giving the opinions of responsible men who come to the House, not with paltry

tions, but with weighty arguments advanced as the result of the experience of a lifetime in the trade and commerce of Australia.

Mr. PAGE.—I am one of those who take an interest in the position of the consumer.

Mr. KNOX.—I agree that it is necessary that we should protect the interests of the consumer, and I would remind the honorable member that not one of the propositions made by the various Chambers of Commerce would interfere in any way with the carrying out of that object.

Mr. PAGE.—Who elects the members of the Chambers of Commerce?

Mr. KNOX.—They are elected by the merchants.

Mr. PAGE.—They elect themselves.

Mr. KNOX.—It is pointed out that—

According to the Interpretations Act, any regulation or proclamation will require two months' notice; this was considered quite inadequate, as a sailing vessel often takes from three to four months to come from England, and we would suggest that six months' notice of regulation or proclamation should be given.

The Minister of Trade and Customs met the deputation which waited upon him in the fairest manner possible, and admitted that this suggestion was reasonable, and that he would give it the most careful consideration—

No proclamation or regulation should take effect in respect of orders placed or shipped before the issue of such proclamation. It is often necessary to place orders twelve months or more before execution. It is felt it would be a hardship to ask any manufacturer to divulge the secret of his manufacture, and to guard against this as much as possible, we think that any patent medicine or other compound, unless proved to be deleterious, should not be subject to description. In answer to our objection to being governed by proclamation and regulations, it is urged by departmental officers that this Act was much more elastic under such rule, and that any mistaken regulation would be upset by Parliament. How this could be done when Parliament was not sitting does not appear.

If the Parliament were not in session, it would be impossible to give effect to alterations made, with a view of preventing any improper interference with trade and commerce in respect of various goods—

Analysis:—It was argued that the importer should have the right to have the goods analyzed, and that in case of a difference between his analyst and a Customs analyst a third should be appointed as arbitrator. Should not some amendment of clause 14 be made in this direction?

It should not be left in the hands of a man who might have no expert knowledge—who might know nothing of the character

and quality of the material with which he was called upon to deal—to give an arbitrary declaration of opinion. The work should be intrusted to an expert, and, if his decision were considered unsatisfactory, it should be open to the importer concerned to submit the matter to arbitration—

A Customs entry could be deemed a trade description. Wool adulterated with cotton would be entered as "wool," but would be a false description. How can this be reconciled.

Honorable members are aware that for certain purposes cotton has been, and is being, used in conjunction with wool.

Mr. BRUCE SMITH.—Even in Australia.

Mr. KNOX.—I am dealing at present with the matter from the point of view of the importer. If a bill of entry stated that certain goods, consisting of an admixture of cotton and wool, were woollen goods, the importer would be subjected to heavy penalties under this Bill, although he might have no knowledge of the admixture.

Mr. FISHER.—What is the objection to stating the quantity of cotton in so-called woollen goods?

Mr. KNOX.—I do not know what objection there may be, but I would point out that in order to comply with the provisions of this measure merchants and importers would have to engage a whole army of officers. If their expenses were increased in that way, the consumer—about whom my honorable friend is so anxious—would have to pay.

Mr. PAGE.—If the honorable member went into a shop to buy a woollen shirt, he would not expect to be supplied with a cotton one.

Mr. KNOX.—I certainly should not. Another objection taken by the Chamber relates to the cost of administration. It is pointed out by them that—

A large number of graders and inspectors would have to be appointed at very considerable expense.

I know that the Minister replied to the deputation which waited upon him, that in his opinion the present staff of officers would be able to undertake all the additional work imposed upon the Department by this measure. They might be able to do so, if the limitations which the Minister promised were imposed. If this work is to be done at all, however, it should be done well, and in order to carry it out effectively, it would be necessary to have

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Sir WILLIAM LYNE.—I do not propose to re-draft the Bill. I have only said that I thought of proposing an amendment.

Mr. KNOX.—Yes; but I have shown how numberless are the objections to the measure on the part of the community. The object of the motion is not to secure delay, but merely to enable a more workable measure to be passed. The proceedings of the Select Committee would be expeditious and inexpensive. It could report within a very short time.

Mr. PAGE.—How soon?

Mr. KNOX.—An effective report could be made to the House within three weeks.

Mr. PAGE.—If the honorable member could guarantee that the Committee would report in three weeks, I would vote for the motion.

Mr. KNOX.—Within three weeks the whole Bill can be gone through, and the objections to it set out *seriatim*. Men are prepared to come from Brisbane, Sydney, and Adelaide to explain the practical reasons why certain of its clauses should not be enacted. I earnestly ask the Minister not to consider that the motion has been moved to cause unnecessary delay, but to believe that our object is to obtain a workable measure which, while benefiting the community at large, will not seriously hamper the trade and commerce of the States.

Mr. JOSEPH COOK (Parramatta).—Ordinarily I should consider that there are enough Select Committees now in existence; but I submit that the honorable member for Kooyong has made out a good case for adding another to the number. If there ever was a Bill in regard to which the investigations of a Committee would do good, this is such a Bill. It is a great misfortune that honorable members do not really understand its provisions, although two Ministers have laboured to explain them. We are particularly in the dark as to why the additional powers which are asked for are required. When we urge that they are too drastic we are told by the Attorney-General that equally drastic powers are contained in the Customs Act, and, as the first clause of the measure incorporates it with the Customs Act, so that it must be read as part of that Act, one wonders why the Government ask for these additional powers. If they already possess more drastic powers for the prohibition and regulation of importations, why are they proposing to add another needless statute

to the many by which this poor Australia of ours is now afflicted. I venture to assert that these additional powers are not being asked for only to protect the health of the community, and the prevention of the loss of life which we are told is occasioned by the use of deleterious foods and drugs, but that there is another motive operating which we have yet to hear from the mouth of the Minister, or, if the measure becomes law, to perceive from his subsequent actions. But regarding the Bill as a *bond fide* attempt to deal with certain matters which require regulation, I think, in view of the conflicting statements of the Ministers who have tried to explain its provisions and its far-reaching effect, there should be some inquiry as to the views held in regard to it by those who are most interested in its passage, or who will be most seriously affected by it. I am at a loss to understand why the Government should object to refer the measure to a Select Committee, because it was only this afternoon that the Minister of Trade and Customs withdrew, on behalf of the Attorney-General, a notice of motion for the appointment of a Committee of Trade, Commerce, and Industries—

To sit and act at any time during the continuance of Parliament, and to take into their consideration all matters pertaining to the general development and welfare of the Commonwealth as a whole, including trade, commerce, agriculture and its kindred industries, manufactures, population, and defence, and any matter referred to them by either House of Parliament. I understood the Minister's reason for withdrawing the notice of motion to be that the Government hope to attain the object in another way, which he did not explain.

Sir WILLIAM LYNE.—That motion was given notice of by the Attorney-General as a private member.

Mr. JOSEPH COOK.—Yes, but when I took exception to his moving it as a private member he would not withdraw it, and it was only withdrawn on the explanation of the Minister of Trade and Customs that the Government propose to take these powers in another way. If the Government believe in the appointment of a Committee of this kind, what harm can they see in this proposal to refer the Bill to a similar Committee?

Sir WILLIAM LYNE.—I did not say that I believed in the exercise of these powers.

Mr. JOSEPH COOK.—The Minister, in withdrawing the motion, said that he did so because it was under the consideration



of the Government whether the same end could not be reached by other means.

Sir WILLIAM LYNE.—Not the same end.

Mr. JOSEPH COOK.—I shall not labour the point; but those who are most interested in trade and commerce join in asking for the proposed investigation. I wish to make one or two observations in support of the proposal of the honorable member for Kooyong. First of all, I should like to refer to some of the statements made by the Minister in charge of the Bill. He declares that it is his intention to compel the exporters of produce to mark it correctly; that is to say, that they shall mark their butter as excellent or inferior, their fruit as superior or inferior, and other produce similarly, according to quality, weight, size, and grade. That also is the definition of the Bill given to us by the Attorney-General. He said that it was deemed necessary to insure that all goods going out of the country should have the truth told regarding their weight, size, quality, and grade. I want to know whether that is not grading in its very essence. If exporters are to be required, not only to mark their goods, but to comply with a prescribed standard, they will have to practically grade them. If the Minister insists upon the goods being marked, according to the standard which he is to lay down, I contend that that will amount to grading. Yet the Minister of Trade and Customs and the Attorney-General quibble over the question. When we asked plainly whether the Government intended to adopt a system of grading, we were told that that all depended upon what was meant by grading. Ministers informed us that they intended to make exporters mark their goods, but they did not say that they intended to prescribe the standard according to which such goods should be marked. Importers are to be required to mark their goods according to the place of production, and the ingredients contained in them. That is to say, the proprietors of any trade secrets will be required to disclose them to the Customs Department. I think that it is reprehensible on the part of the Government to attempt to impose any such conditions upon importers or exporters. It should be the first duty of the Government to protect patentees, and certainly they should not require them to disclose their secrets of manufacture to any Government official, no matter how highly placed or trustworthy he may be. A trade

secret ought to be regarded as sacred. If the Government are going to force these secrets from the safe-keeping of the manufacturers, they should go a step further, and abrogate all our patent laws. Of what use will a patent be to a manufacturer if he has to divulge his trade secrets to Government officials? It is all very well to say that the Customs officials will be placed under a bond of secrecy, and that the strictest possible safeguards will be afforded against any breach of faith, but I venture to say that, if once trade secrets are communicated to Government officials, they will certainly leak out, in spite of all that may be done to prevent it. A far-reaching power of this description ought to be carefully safeguarded, and those who are most directly interested should have an opportunity of being heard before any such conditions are forced upon them.

Mr. FISHER.—What about the public?

Mr. JOSEPH COOK.—I am just as much concerned about protecting the public as is the honorable member. May I point out that, according to the great protectionist panjandrum, the *Age*, the cardinal principle of protectionism is to look after the producer, and to leave the consumer to look after himself. The Government are now proposing to act right in the teeth of that protectionist tenet. The *Age* says that those who subscribe to the free-trade doctrine look after the consumers, and leave the producers to look after themselves, whereas protectionists look after the producers, and leave the consumers to look after themselves.

Mr. CHANTER.—Does not the *Age* say that the interests of both producers and consumers should be studied?

Mr. JOSEPH COOK.—No. If the honorable member will read the article to which I refer he will find that the position is just as I have stated it. This Bill does not trouble about the producer, but looks after the interests of the consumer, and therefore is anathema to the *Age*. The honorable member for Kooyong pointed out very clearly that whilst importers were proposed to be placed under a ban, no attention was to be paid to our producers at home. If we are to study the interests of the consumer, whatever we may do by way of restriction, regulation, and control, and by way of standardization in the case of outsiders should also be applied to the goods which are consumed at home.

Mr. FISHER.—The honorable member knows that there is a difficulty in the way.

Mr. JOSEPH COOK.—Not as to Inter-State commerce. There may be some difficulty with regard to trade carried on within a State. That leads me to another point, namely, whether we should take this matter under our Federal consideration, seeing that the States Governments have already brought certain machinery into operation with a view to exercising supervision over food and other products. That is one of my objections to this Bill. We have at hand in the various States the means of doing precisely what is proposed to be achieved under the Bill. We have our Health Acts of various kinds and our Health Departments to see that the goods that are consumed by the community are pure and unadulterated. Why should we double-bank our legislation in the way proposed? I contend that we cannot interfere in these matters as effectively as the States authorities can.

Sir WILLIAM LYNE.—The Bill will apply only to goods imported or exported from the States.

Mr. JOSEPH COOK.—I am quite aware of that, and I am pointing out the anomaly of the whole proposal. It is proposed to interfere with goods passing beyond a State, and therefore to interfere with the manufacture of all classes of goods; that is, unless it is assumed that manufacturers will produce one article for export and another article for home consumption. It would scarcely pay them in most cases to do that, and, therefore, in effect, it is proposed to interfere with the manufacture of all articles. That is my objection to the Bill. Whatever could be accomplished by this Bill could be performed much more effectively by the States authorities. They are on the spot, have local knowledge, and have gained experience as to the details of manufacture and production, and therefore know infinitely better than a Minister sitting outside all the States what to do in the way of restriction and control. I am not sure that we are entitled to interfere with the police powers of the States. At any rate, the matter is one for inquiry. In connexion with the exercise of these police powers by the States, there now exists something akin to prohibition. A conference of fruit-growers recently met in Melbourne and complained that the authorities in Western Australia had prohibited the importation of fruit from the other States.

Sir JOHN FORREST.—They do not prohibit the importation of fruit, but merely insist upon close inspection.

Mr. JOSEPH COOK.—The inspection is so rigid that fruit cannot be imported.

Sir JOHN FORREST.—Oh, yes; large quantities of fruit are sent there from the Eastern States.

Mr. JOSEPH COOK.—The charges levied upon importers of fruit are so heavy as to be almost prohibitive.

Sir JOHN FORREST.—That is libellous. The Western Australian authorities are merely seeking to keep out the codlin moth and other fruit pests or diseases.

Mr. JOSEPH COOK.—Some time ago I inquired into the charges and restrictions imposed in Western Australia in connexion with the importation of fruit, and I found that what with one charge and another—inspectorial charges, wharfage charges, and others—the shipment of fruit to Western Australia was rendered unprofitable. I ascertained these particulars from the inspector in Western Australia, whose scale of charges amounted to a sum almost prohibitive. Hence very little fruit is sent from the Eastern States to Western Australia, and then only at certain seasons of the year. The proposed Committee could do good work in connexion with the investigation of this and kindred subjects, with a view to devising means of bringing about equality of administration and that freedom of trade between the States which was contemplated by the Constitution. Although the Constitution provides for free intercourse as to trade and commerce between the States, some of the States, by the exercise of their police powers, are prohibiting the introduction of perishable products from other States. There is another reason why I think the Minister should not have conferred upon him the large powers sought in the Bill. It is proposed that the Minister should have placed in his hands the power to prohibit the importation of certain goods if they do not bear certain trade descriptions which he alone is to prescribe. That would practically give him unlimited power.

Mr. BRUCE SMITH.—And the burden of proof would be thrown on the person charged.

Mr. JOSEPH COOK.—If the Bill were passed in its present form it would place the Minister of Trade and Customs in the position of a Czar of Commerce. I am not prepared to make the present Minister a Czar in matters of commerce, or anything else. In the harvester case, the Minister,

without one word of warning, or calling upon the importers to show cause, increased the price of machines by an arbitrary act, and under the powers proposed to be conferred by the Bill he might proceed to the extent of totally prohibiting the introduction of many articles of commerce which are now imported. In a word, the Minister would have the sole right to apply prohibitive protection to Australia at his own will and pleasure. Such a power should not be conferred upon any Minister, no matter how good or trustworthy. We might as well have no Parliament if the Minister is to be placed in such a position. The Attorney-General stated that he would not object to provide that the regulations framed under the Act should be presented to Parliament; but the Minister for Trade and Customs does not say anything of the kind. He is endeavouring to whittle away all that he has previously stated, and to remove the impressions which he conveyed to various deputations. He has told us that he will make only one amendment in the Bill, and no one can pretend that a solitary alteration is all that is necessary to meet the requirements of the case. In plain English, the Minister is not going to do very much by way of alteration. If the powers proposed are conferred upon the Minister, the effect upon trade and commerce will be very serious. It is all very well for the Minister to say that he is going to make producers tell the truth about the goods they send out of this country. It will be hard to do that, and I venture to say that the very doing of it will be a hardship to those to whom the provision is intended to apply, not because they do not tell the truth, and not because they are not trading honestly. For instance, I was told by an Eastern merchant that if this Bill be passed it will absolutely ruin his trade. There is, I understand, a big trade done with the East in the way of tinned butter, which is usually put up in 1-lb. tins. This gentleman points out that the Eastern mind is very conservative, and very suspicious, and unless we can give the people there the same tins, marked in the same way as those from other parts of the world, they will decline to trade with us.

Mr. MALONEY.—If we give them good weight, they will very soon find it out.

Mr. JOSEPH COOK.—I am assured that, if we alter the tins in any way, they will decline to trade with us at all. Take biscuits as another illustration. I under-

stand that all biscuits exported to the East are put up in 2-lb. tins. As honorable members are aware, some biscuits weigh more than others, but, to suit the Eastern mind, we have to use the same-sized tins for all biscuits. The difference in the weight of them is regulated in their price. But in the East the measure must be the same in all cases. I am told that the ordinary Chinese has no knowledge whatever of weights. He goes by measurements, and unless we can give him the same-sized tin every time he will decline to trade with us. These are the statements made to me by a reputable Eastern merchant—

Mr. BAMFORD.—They are very thin.

Mr. JOSEPH COOK.—I venture to say that the word of a reputable merchant should be accepted. Does the honorable member entertain any doubt as to this gentleman's veracity?

Mr. MALONEY.—I have my doubts about it.

Mr. JOSEPH COOK.—I have not any.

Mr. MALONEY.—The average Easterner—and especially the Chinese—is more than the equal of the white man in matters of commerce.

Mr. JOSEPH COOK.—I know that that is so in some respects and within certain limitations. But he has become so accustomed to measurement that he will not have anything to do with weight at all. I say that these men are entitled to be heard. We know nothing whatever about the Eastern trade, and they do. Ought we not to endeavour to profit by their knowledge? They allege that if we legislate as we propose, we shall be doing so ignorantly, and to the disaster of their trade.

Mr. CHANTER.—Does the honorable member approve of selling 14 ozs. for a pound?

Mr. JOSEPH COOK.—I do not. This is a Bill for destroying trade, and not for regulating it in these particulars. The trading community do not object to the marking of a tin, or to its ingredients being known, if their competitors in other parts of the world have to subscribe to similar conditions. But, so far as I am aware, there is no legislation which goes as far as does this measure.

Mr. THOMAS.—Is that an objection to it?

Mr. JOSEPH COOK.—It is an argument in favour of inquiry before it is passed. All I ask is that there shall be

an inquiry into this matter, and that the people whose trade will be affected by the operation of the Bill shall be heard. That is a reasonable request to make to the Minister. These men declare that the Bill will ruin their businesses.

Sir WILLIAM LYNE. — Nonsense. The gentleman to whom the honorable member refers approached me upon the subject. The Bill does not alter the size of the tins.

Mr. JOSEPH COOK.—I believe that the merchant to whom I allude has been to the Minister, who led him to believe that he had every sympathy for him. At the same time the Minister told him that he was not going to make many alterations in the measure.

Sir WILLIAM LYNE.—He went away from me quite satisfied.

Mr. JOSEPH COOK.—Then I am afraid that the Minister hypnotised him, because he is very dissatisfied now. Whilst other communities endeavour to cater to the prejudices and customs of Eastern races, we propose to cut right across them by legislation.

Sir WILLIAM LYNE.—Will the honorable member show me where the Bill alters the size of the tins?

Mr. JOSEPH COOK.—Yes. It provides that a trade description is to apply to the nature, number, quality, quantity, purity, class, grade, measure, gauge, size or weight of the goods.

Sir WILLIAM LYNE.—There is no alteration of the size of the tins provided for there.

Mr. JOSEPH COOK.—Does not that provision compel a merchant to declare what his tins contain?

Sir WILLIAM LYNE.—Yes; but it will not alter the size of the tins, or their colour, or the paper upon them.

Mr. JOSEPH COOK.—If we alter the size of the tins in any way, even by stamping the weight on them, the Eastern races will not look at them. The least that the Minister can do is to hear these merchants upon their oath, and to weigh their statements. Instead of doing that, he proposes to make standards in the case of all these goods. Although we cannot get the Minister to say that this is a grading Bill, its provisions enable him to establish standards in connexion with all our produce. I venture to say, with very great respect, that his officers do not possess the requisite knowledge to enable them to prescribe those standards. They know nothing about the Eastern trade or its requirements.

Sir WILLIAM LYNE.—Surely the honorable member does not suppose that the Department is foolish enough to endeavour to destroy the Eastern trade?

Mr. JOSEPH COOK.—I do not suppose that it would do so willingly, but I am afraid that it will do so ignorantly.

Sir WILLIAM LYNE.—Trust the Department.

Mr. JOSEPH COOK.—I should think we ought to be very careful to what extent we trust the Department, after the McKay incident. If we are to extend a prohibition to goods, let it be after that prohibition has been placed upon the statute-book. Do not let us give the Minister of Trade and Customs power by Executive act to open or shut the ports of Australia. I repeat that there is no parallel to this Bill. We have been told that it has been taken largely from the Merchandise Marks Act of Great Britain. But I would point out that that Act does not interfere with the size, quality, measure, and gauge of goods.

Mr. THOMAS.—It ought to; that is all.

Mr. JOSEPH COOK. That is a very good sentiment, to come from a free-trader like the honorable member.

Mr. THOMAS.—I believe in providing for the proper weight, size, and quality of goods.

Mr. JOSEPH COOK.—That is not the question. This is a question of whether we shall ignorantly interfere with the relations of traders. It is a good old principle, which has worked well for thousands of years, that when a man buys an article, he takes the risk of making a good bargain. In this case, however, it is proposed to set up a standard for him. I claim that we are going beyond the legitimate functions of Parliament by interfering in such a way. If the Government will give us the Merchandise Marks Act of Great Britain, we shall not object. That Act interferes with imports only to the extent of providing that they shall show what is the country and place of their origin. If that measure were applied to the Commonwealth, it would not be permissible to mark goods made in Australia and sent to Germany as having been "made in Germany." Its object is to prevent fraud on the consumer. That is an object which we might very well seek to achieve; but when we interfere in all the details of a man's business, when we seek to compel him to reveal his trade secrets, to say how he makes up certain compounds, what are the contents of each

case that he sends away, and what is the size, shape, gauge, and measure of his packages, we go beyond anything that has ever been done, either in European countries or anywhere else.

Mr. THOMAS.—We are a progressive people.

Mr. JOSEPH COOK.—It seems to me that we are progressing backwards. This is a retrograde step, such as I venture to say will make us a laughing-stock in the eyes of the trading community of the world.

Mr. THOMAS.—We have heard that before.

Mr. JOSEPH COOK.—It is useless to argue with the honorable member, because he is not open to conviction. That was not always his attitude, but now all that he can do is to barrack for the Government. I congratulate the Ministry on having so subservient a supporter. When he was a supporter of Governments with which I was associated, he used to be very critical, and now and again was heard to express his opinions, but he seems to have been struck dumb ever since the present Administration came into office. He can do nothing more than interject, while members of the Opposition are speaking. Proposals that are an outrage on his life-long principles are submitted week after week to the House, and we find him supporting them. I congratulate my honorable friend on his new views, but am afraid that his political perspective is becoming a little awry.

Mr. THOMAS.—I have heard the honorable member talk differently.

Mr. JOSEPH COOK.—I repeat that the powers which this Bill will confer on the Minister of Trade and Customs are altogether too great. There is not the requisite knowledge in the Department to enable them to be exercised prudently and safely. The Bill will strike a blow at the commerce of Australia. It will do more injury to the true interests of the Commonwealth than can be counterbalanced by any act on the part of the Governments of the States. If we cannot interfere for the purpose of assisting the States to their own betterment and welfare, do not let us keep meddling with a view of undoing the good they are accomplishing in their own local spheres. Let us leave them alone in regard to matters affecting the health, safety, and moral welfare of the people. The States Governments are on the spot. They have the necessary machinery, and

can do the work better than we can, because they have a larger experience in these matters than we could possibly possess. I repeat that we ought to leave them alone. All that I am asking for, so far as this Bill is concerned, is that the people outside who will be so profoundly affected by it—whose businesses, fortunes, interests, and livelihood are in jeopardy—shall at least be heard before we proceed to take the drastic steps which they assert will lead to disaster and, in many cases, crush them out of existence.

Mr. DUGALD THOMSON (North Sydney).—I think that some of the interjections which we have heard during the debate—and especially those made by the honorable member for Maranoa, the honorable member for Wide Bay, and the honorable member for Barrier—make it abundantly clear that the intention and the effect of this measure are not fully realized. I am not surprised at this, because the Minister in charge of the Bill failed, when introducing it, to enlighten the House either as to its scope or as to the intention of the Ministry in regard to the exercise of the powers which it would confer on them. Another point is that we have had different opinions expressed by three different Ministers in regard to the intentions of the Bill. One Minister said that it was absolutely absurd to suppose that grading of any description was intended; another declined to say whether or not such was the case, while the Minister of Trade and Customs stated that it was intended that grading should be carried out to a certain extent, but that the system was not to be fully observed.

Sir WILLIAM LYNE.—I said that true descriptions would be required.

Mr. DUGALD THOMSON.—The truth of the description is to be determined by examining the quality of the goods, and by fixing certain departmental standards.

Sir WILLIAM LYNE.—Has the honorable member read what is being done at present under the Victorian Act?

Mr. DUGALD THOMSON.—I have a copy of the Victorian Act, and am acquainted with its provisions.

Sir WILLIAM LYNE.—And I have a statement as to the full working of the Act.

Mr. DUGALD THOMSON.—Does the honorable gentleman say that the Ministry propose to duplicate the work carried out under the Victorian Act? If that is the intention, why does he seek to take such large powers as the Bill would confer upon

him? The question has often been put, "Why not protect the consumer." I quite agree that the consumer should be protected from dishonest trade practices. But this Bill does not provide any means to protect him. It will still be possible under it to introduce into the Commonwealth adulterated foods and the most deleterious of articles.

Mr. THOMAS.—Then the honorable member should move an amendment to render such practices impossible.

Mr. DUGALD THOMSON.—The Minister said that he had abandoned the provisions of a more drastic measure, which he found in his Department when he took office.

Sir WILLIAM LYNE.—And the honorable member is complaining of the provisions of a less drastic measure.

Mr. DUGALD THOMSON.—I shall deal with that point presently. The honorable gentleman says that he has abandoned the provisions of a more drastic Bill. What was the intention of those provisions? I am not advocating that measure, because it was merely a departmental Bill which had not undergone the criticism of the Cabinet, but the intention of it was that a certain standard should be fixed, and that certain—but not all—goods, where the departure from standard would make them useless for their purpose, should be absolutely prevented from entering the Commonwealth, and also from being exported. For instance, manures which might be so adulterated as to be useless for their purpose might have been prevented under that Bill from coming into Australia. And so with leather loaded with deleterious chemicals.

Mr. THOMAS.—But, according to the honorable member for Parramatta, that would be an interference with the right of the person purchasing the goods.

Mr. DUGALD THOMSON.—I am not dealing with that question; I am simply indicating the provisions of the departmental Bill. The Bill now before us abandons those provisions, although one would gather from the interjections of some honorable members that such was not the case. It is proposed by this Bill to enforce true descriptions. I do not object to that. It is desirable that any description of goods should be a true one. But this measure goes beyond that, and is really dangerous. A trade description is not merely to be true; a whole shipment of goods may be stopped and forfeited unless the trade in which they bear, in addition to

being true, complies with the description framed by the Minister of the day. That is the remarkable feature of the measure, and it is one which honorable members have not fully appreciated. The whole of the commerce of Australia is to be gripped in this way. Before taking such a step, we should very seriously consider the matter. I believe that some samples of so-called leather have been shown in the House to-night. I would point out, however, that the importation of such leather would not be prohibited under this Bill.

Sir WILLIAM LYNE.—The importers would have to correctly describe it.

Mr. DUGALD THOMSON.—They could describe it as "pasteboard" or "imitation leather"; but that would not prevent it being made up into boots and sold in that form to the general community as freely as at the present time. How can it be said, therefore, that this Bill will protect the consumer? It will afford him absolutely no protection.

Mr. THOMAS.—It is about time that he had some protection.

Mr. DUGALD THOMSON.—No effectual protection can be afforded him unless the matter is taken in hand by the States.

Sir WILLIAM LYNE.—The States could not deal with it through the Customs.

Mr. DUGALD THOMSON.—They could prevent deleterious goods reaching the consumer, and that is what the Department of Trade and Customs cannot do.

Sir WILLIAM LYNE.—It can.

Mr. DUGALD THOMSON.—If the honorable gentleman is familiar with the provisions of the Bill, he must know that under it the so-called leather which was exhibited to-night could be entered by its true name, passed through the Customs, and distributed among the boot factories just as if such a measure never existed.

Mr. FISHER.—But we should be able to tell what quantity of that material was coming in.

Mr. DUGALD THOMSON.—That can be ascertained at the present time.

Sir WILLIAM LYNE.—It will be under this Bill.

Mr. DUGALD THOMSON.—The honorable member administers the Customs Act, and if he can prevent these goods from entering, why does he not do so?

Mr. BRUCE SMITH.—Such goods could be made up here and sent to New South Wales.

**D THOMSON.**—That is requiring that trade des-

merely true, but as

is a most extra-

ordinary trade des-

cription as a member

of insertion

to ensure the

accuracy of

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all

the

be im-

posed as the

did not ac-

cept the Min-

ister might, as

it is as a descrip-

tionable not merely to

transportation, but to abso-

lutely. Consequently the whole

trade from Kamschatka to South

Africa would be called upon to bow to

the whim of the Minister of Trade

and Customs in Australia, or else goods,

notwithstanding that they bore truthful de-

scriptions sanctioned by long custom, might

be forfeited on being landed in Australia.

The provision is a most extreme one.

Further than that, the penalties provided

for in the Bill are exceedingly drastic. The

Minister has referred to the Victorian Act,

some of whose provisions are similar to

those of this measure; but although penal-

ties are provided for, accompanied with

non-permission to export goods which do

not fulfil the conditions, that measure does

not go nearly so far as to provide forfeit-

ure of shipments. But because of the

aptitude of a Department to adopt the

most drastic measures, this Bill provides,

not only that a departure from the truth,

but any flaw in a description, or any varia-

tion from a style of description required

by the Minister, may cause the forfeiture

of a shipment. These facts show how

carefully the Bill must be examined, and,

in my opinion, the request of the honor-

able member for Kooyong for the appoint-

ment of a Select Committee is only reason-

able.

**Sir WILLIAM LYNE.**—To destroy the

Bill.

**Mr. DUGALD THOMSON.**—The Min-

ister has very little faith in the measure

if he thinks that to let in a little light upon

it will destroy it.

**Sir WILLIAM LYNE.**—I shall not permit

it to be blocked, as the amendment of the

Tariff has been blocked by the free-traders

by the appointment of the Tariff Commis-

sion.

**Mr. DUGALD THOMSON.**—The Min-  
ister's remark shows that he is afraid that  
the Bill cannot stand fair criticism.  
Here is another point which shows what a  
tremendous engine we are asked to create  
to obtain very poor results. The Bill will  
roll over the whole of our imports and ex-  
ports like a Juggernaut of commerce, pro-  
ducing as much harm and doing as little  
good as that instrument of torture did.

**Mr. FISHER.**—I think that the mer-  
chants will find a way to escape it.

**Mr. DUGALD THOMSON.**—I do not  
wish them to avoid compliance with proper  
provisions, and I shall assist the Min-  
ister to make the measure as effective as  
possible, so far as I think we should go.  
This is one way in which its provisions may  
be readily evaded. Goods will be im-  
ported—

**Mr. BRUCE SMITH.**—Or manufactured  
here.

**Mr. DUGALD THOMSON.**—I was  
going to refer later on to the movement of  
goods from State to State. It is a ridicu-  
lous thing to provide, if goods are manu-  
factured in a State, and allowed to be sold  
there under a particular trade description,  
that they shall not be imported under  
that description, and I have prepared an  
amendment to alter that provision, which,  
as it stands, is a piece of hypocrisy which  
I venture to think this Parliament is not  
capable of sanctioning.

**Mr. PAGE.**—Is not that protection?

**Mr. DUGALD THOMSON.**—The hon-  
orable member has hit upon what, though  
not the avowed object of the measure, may  
be one of its hidden objects. The point  
to which I was about to refer is that goods  
may be imported, and then re-described,  
re-labelled, or re-invoiced. Many goods  
are sent out in bulk packages, and unless  
the States laws forbid, may, after im-  
portation, be re-marked and re-invoiced.

**Mr. FISHER.**—That would be a new in-  
dustry.

**Mr. DUGALD THOMSON.**—I do not  
think that the honorable member wishes to  
see that industry established within our  
borders. Although some of the advocates  
of the measure seem to think that it will  
protect the consumer, it is absolutely care-  
less about him in regard to goods produced  
in one State and sent to another. I admit  
that we cannot legislate in respect to goods  
produced in a State and not exported from  
it, and, for that reason, the effect of the  
Bill will be very largely circumscribed.

We can, however, legislate in regard to goods passing from State to State, but the Bill does not apply to such goods.

Sir WILLIAM LYNE.—Would the honorable member support such an extension of its provisions?

Mr. DUGALD THOMSON.—Yes, if the Bill is to go through in such a form as I think it should take. Surely it is even more necessary to insist upon honesty on the part of our own people than to try to provide against dishonesty which may be committed by persons outside the Commonwealth?

Mr. FISHER.—Would the honorable member, if we had the power, apply the provisions of the Bill to goods retained within the State in which they were manufactured?

Mr. DUGALD THOMSON. — Certainly; with the limitation I have just made. But I would not support the absurdity of providing that goods branded similarly to goods manufactured within a State, and allowed by the State law to be sold there, shall not be imported into that State. It is the province of the Parliaments of the States to protect their citizens, and they should exercise their powers in that direction. It is almost impossible to believe that any Parliament would pass a measure which, while prohibiting the importation of goods branded in a certain way, would allow the manufacture and sale within its territory of goods so branded. Then there is the matter of grading, which has already been referred to in some of the State Parliaments. It is of the utmost importance to the States that they should know what are our intentions, and what are the powers which will be conferred by the Bill. Clause 13 says—

Any goods intended for export which have been inspected in pursuance of this Act may, in manner prescribed, be marked—

That is, on behalf of the Commonwealth—

with any word, figure, or mark, for the purpose of indicating the quality, class, or grade of the goods.

If that does not clearly indicate grading by the Commonwealth, I do not know what does.

Mr. FISHER.—I never believed that it did anything else.

Mr. DUGALD THOMSON.—Perhaps the honorable member was present when I tried to get a statement from the Ministers as to the meaning of the clause, and they

were at a loss to explain its meaning. All that we can get from the Minister of Trade and Customs is that, if an attempt is made to brand inferior butter as superior, the Government will step in.

Mr. FISHER.—Quite right.

Mr. DUGALD THOMSON.—I do not object to that; but I wish to know if the Government are going to take in hand the work of grading. If they are going to decide what shall be the quality of the butter or other goods which we export, it seems to me that they will have to grade our exports, and if they intend to do that, the States should know it. Otherwise we shall be piling Commonwealth legislation on the top of State legislation, until we bury the commerce and people of Australia beneath it. We do not wish to do that. We should try to delimit the spheres of operation of the States and of the Commonwealth. To give the Minister power to grade every article of export would be to give him an enormous power, and we should know if that is the intention. If such an extension of power is not needed, why is it asked for? If it is needed, the intention must be to use it, and, if that is the intention, the States should know it. Surely, therefore, since the interests of the States are our interests in this matter, they should be permitted the opportunity to send representatives to a Select Committee to express their views as to what is their proper sphere of action, and what is the proper sphere of the Commonwealth. I think that the fullest reasons possible have been shown for referring the Bill to a Select Committee. There is no pressing haste. The measure can accomplish very little good as it is if put into force. It gives the Minister power to exclude any import, not because of a false description, but because of a description which, however much sanctioned by custom, or however true, departs from that laid down by the Minister. It also gives the Government power to grade every article of export. Are we going to place such powers in the hands of the Minister, without limitation, and without knowing whether he intends to use them? If the power to grade is not to be exercised, why has clause 13 been inserted? Surely the States have a right to this knowledge, and to place evidence before a Select Committee as to the desirability or otherwise of these provisions. Whilst I cannot indorse many of the complaints which have been made in the States against



this Parliament, if we embarrass the ordinary transaction of business by the duplication of laws, and the enactment of unnecessary and complicating measures, we shall justify some of those complaints. Apparently the only object sought to be attained by this measure is that a true description of goods shall be given. I say that a true description should be insisted upon, but, in endeavouring to attain that object, the measure goes far beyond what is required. In effect, the Government say, "We care not whether your description is true or not; we shall prescribe a description, and unless your goods bear it they shall not enter the Commonwealth." It is apparently assumed that goods are put up all over the world solely for consumption in the Commonwealth. Any one who knows anything about trade will fully appreciate the effect of such a provision. Goods intended for Australia would have to be specially prepared and packed, and bear the description prescribed at the whim of the Minister. That would involve increased expense, because goods cannot be specially packed and labelled without involving considerably increased cost. The effect of such provision would be to hamper Australia in the markets of the world, and to hamper our competition with other countries. We have no right to go beyond the provisions of that clause which provides for a true trade description. I feel that the request of the honorable member for Koo-yong is fully justified. This House, as the special custodian of the large interests of Australia, should exercise its powers with every consideration. Whilst we should do everything we can to prevent fraud and deception, we should not pass a Bill merely because we think it possibly may have such an effect. As a matter of fact, the provisions of this Bill do not make that result at all certain. Adulterated or defective goods will be admitted just as freely as ever. It will merely be necessary to describe adulterated leather as what it is, or to describe an article used as leather by its true name. The articles will then be admitted, and there will be nothing except the operation of the laws of the States to prevent their going into consumption. Under these circumstances, the Commonwealth, which recognises that its powers in connexion with trade and commerce are extensive, should act only after careful consideration. We should not refuse an opportunity, such as a Select

Committee would provide, for a careful examination into the possible effects of the proposed measure upon the import and export trade of Australia. So far as I can judge, honorable members have not thoroughly grasped the provisions of the Bill. They seem to think that it will accomplish what it will certainly fail to do. The Bill as it is can have nothing but a disastrous effect, and can benefit neither producer, trader, nor consumer. I hope, therefore, that the Minister will afford an opportunity to those best acquainted with the trade of the Commonwealth, and the probable effects of a measure of this kind, to express their opinions. There is no need for undue haste. The measure is not required to-morrow or the next day. I have no desire to obstruct its progress, but I think that an inquiry such as that proposed by the honorable member for Koo-yong, which can be conducted without much delay, should certainly be entered upon.

Mr. CHANTER (Riverina). — The honorable member for North Sydney has stated that there is no need for haste in passing a measure of this kind; but I would point out that we have badly needed legislation of this kind for many years past. I do not consider that there is any necessity to appoint a Committee to inquire into facts which are already well known. The object of the Bill is to insure that all Australian products exported shall bear an honest description.

Mr. DUGALD THOMSON.—More than that; they have to bear the description prescribed by the Minister.

Mr. CHANTER.—I do not agree with the honorable member. The Minister is not supposed to act as an expert in the matter; but he will undoubtedly rally round him a number of capable officers who will be able to advise him upon practical lines, and in such a manner as to make the operation of the measure effective.

Mr. JOSEPH COOK.—He will require an army of inspectors.

Mr. CHANTER.—I do not think so. It is highly desirable that we should bring about uniformity in connexion with our export trade. Some States authorities have been very careful to insure that their products shall bear proper descriptions, but the good work thus accomplished has been to some extent nullified by other States which have resorted to means that, to say the least, were not

honest. The honorable member for Parramatta, in speaking of the prohibitive regulations relating to the importation of fruits into Western Australia, appeared to forget that the importation of certain fruits into New South Wales was also prohibited. For many years—and I believe even to this day—the importation of grapes and vine cuttings into New South Wales has been prohibited. The various States Governments have interfered with importations in the interests of their own producers, and I think that it is our duty to legislate in the interests of the producers of the whole Commonwealth, by insisting that all goods sent out of Australia shall bear a true description.

Mr. DUGALD THOMSON.—Does that mean grading?

Mr. CHANTER.—If there is any necessity for grading, I see no reason why it should not be resorted to.

Mr. DUGALD THOMSON.—Does the honorable member know whether the Minister intends to insist upon grading?

Mr. CHANTER.—No, I have not consulted the Minister. I do not think the honorable member for Parramatta did himself justice when he was speaking with regard to the Eastern trade, and the usages of traders in regard to tinned goods. He referred to the practice of packing articles in tins containing less than the declared quantity. I asked him whether he approved of that course, and he replied in the negative. The object of the measure is to insure that the tins in which jam or other articles are packed shall contain the declared quantity.

Mr. JOSEPH COOK.—It is obvious that unless that practice was also followed in other parts of the world, we should lose our trade.

Mr. CHANTER.—We had better lose our trade than act dishonestly.

Mr. JOSEPH COOK.—I am glad to hear that the honorable member is so ready to assist the Chinamen.

Mr. CHANTER.—I have not said anything to indicate that I have any sympathy with Chinamen. The honorable member conveyed the impression that Chinamen did not care what were the contents of the tins, so long as they were of a certain size, but I think that that question may be left to the Chinamen to settle.

Mr. JOSEPH COOK.—I am not concerned about the Chinamen, but about our merchants.

Mr. CHANTER.—I am concerned about the whole of the producers of Australia. When Australian produce is exported I desire that it shall bear an intimation as to its origin, and as to its quality. That would prevent inferior goods being placed upon the London market and labelled "Australia." Let me give an instance of the frauds which are perpetrated in this connexion. As honorable members are aware, we have endeavoured for many years past to establish a trade with the old country in frozen meat. In attempting to build up that trade we have had to compete with the Argentine and New Zealand. The New Zealand brands of frozen meat have always been regarded as first class, and the Argentine brands have also been held to be very good. The best lambs produced in the mother country come from Wales, and I have the assurance of a New South Wales pastoralist that he forwarded his lambs to England in a frozen condition, and afterwards saw them hanging in a London butcher's shop, classed as the best Welsh lambs, whilst inferior lambs were classed as Australian.

Mr. LONSDALE.—How will this Bill prevent that practice?

Mr. CHANTER.—It will necessitate the branding of Australian goods which are exported.

Mr. JOSEPH COOK.—Those brands will be taken off Australian goods by the same rascals who indulge in that practice now.

Mr. CHANTER.—Then we may safely leave their punishment to the British Parliament.

Mr. JOSEPH COOK.—We cannot stop men from doing that sort of thing.

Mr. CHANTER.—We cannot prevent burglary, but we can mitigate it. I claim that as good beef, mutton, and lamb can be produced in Australia as can be grown in any part of the world. The same remark is applicable to wheat. As a matter of fact, we know that some of the best brands of wheat exported from the Commonwealth have been sold in England as Manitoba wheat, to the detriment of the Australian farmer.

Mr. LONSDALE.—How does the honorable member suggest that wheat shall be branded?

Mr. CHANTER.—We can brand the bags. In dealing with the article which recently appeared in the *Age* newspaper, the honorable member for Parramatta was scarcely just to that journal.

Mr. BRUCE SMITH.—What he said was perfectly true.

Mr. CHANTER.—I challenge the honorable and learned member for Parkes to read that article and to say that it does not exhibit as much consideration for the consumers as it does for the producers of Australia. The *Age* has consistently exposed everything in the nature of fraud.

Mr. JOSEPH COOK.—Why does the honorable member say that I misquoted the article?

Mr. CHANTER.—I did not say that. I said that the honorable member had not properly quoted it. He stated that the article in question exhibited consideration for the producers only — that it did not study the interests of the consumers.

Mr. BRUCE SMITH.—Has the honorable member himself read the article?

Mr. CHANTER.—Yes. I take a pride in reading every article which appears in that newspaper. From a lifelong experience I can say that the *Age* is the most liberal and democratic newspaper in Australia, and that it has been its constant endeavour to expose the frauds which are perpetrated upon consumers and producers alike. Can the deputy leader of the Opposition deny that, in order to meet the prejudice which exists against local manufactures, labels have been attached to certain articles manufactured in New South Wales, declaring that they were manufactured outside the Commonwealth?

Mr. BRUCE SMITH.—This Bill will not prevent that.

Mr. CHANTER.—It will, otherwise what is the meaning of the term, "trade description." The Bill provides that no goods shall be imported into Australia unless they are properly described, and the same condition is applicable to goods exported from the Commonwealth.

Mr. BRUCE SMITH.—That does not touch the practice of marking goods dishonestly after they have been imported.

Mr. CHANTER.—If the Bill be properly administered, it will prevent the importation of falsely described goods.

Mr. JOSEPH COOK.—They may be properly described upon their admission to the Commonwealth, and improperly described subsequently.

Mr. CHANTER.—I do not see how that can be so. When they are entered here, they are under the control of the Customs Department. Does the honorable

and learned member for Parkes suggest that the merchants of Australia are so dishonest that they will alter the description of those goods in their own warehouses?

Mr. BRUCE SMITH.—The people whom the honorable member alleges commit that sort of fraud now will commit it then.

Mr. CHANTER.—I am glad that that defect in the measure has been pointed out, because we shall now be able to insert an amendment to meet it.

Mr. JOSEPH COOK.—We have no power to do that.

Mr. CHANTER.—Does the honorable member wish to stop that fraud?

Mr. BRUCE SMITH.—Let us stop all frauds.

Mr. CHANTER.—Is not the practice to which I refer a gross fraud upon the public?

Mr. BRUCE SMITH.—The honorable member does not understand the Bill.

Mr. CHANTER.—I do not look at its provisions with the legal mind of the honorable and learned member for Parkes. I regard it rather from a practical standpoint. The object of the measure is to guarantee to the consumer that all goods imported shall be properly described. It is also intended to guarantee that Australian produce which is exported shall be similarly described, and, if necessary, graded; in other words, that produce of a certain quality shall not be placed upon the London market as first-class, to the detriment of the local producer. A little while ago, the honorable member for New England interjected, "What about clause 7?" That provision will prohibit the importation of any goods which are not properly described.

Mr. LONSDALE.—Upon a description proclaimed by the Minister.

Mr. CHANTER.—No. I gather from the remarks of some honorable members that an inferior article, in the form of leather, was exhibited in this Chamber to-night. Is it not in the interests of the consumers that such goods should be prevented from entering into competition with the genuine article? The Bill imposes no hardship upon honest traders, and I refuse to regard the merchants of Australia as dishonest.

Mr. BRUCE SMITH.—I am afraid it is the manufacturers who put "manufactured in England" upon Australian hats very frequently.

Mr. CHANTER.—I have worn both imported and Australian hats, and I have

no hesitation in saying that a comparison between the two is very greatly to the advantage of the locally-produced article. I hope that in Committee the honorable and learned member for Parkes will assist us to protect the consumer.

Mr. BRUCE SMITH.—My desire for honesty is so great, that I should like to see the millennium to-morrow.

Mr. CHANTER.—I do not intend to occupy any further time. I hold that this Bill makes for honesty, where, at present, we have dishonesty. It is intended to protect the consumers of Australia, inasmuch as it provides that all goods imported must be properly described. If they are not of good quality, the consumer has only himself to blame, if he purchases them. In the interests of Australia, as a whole, I hope that the measure will speedily become law. There is absolutely no necessity whatever to refer it to a Select Committee.

Mr. LONSDALE (New England).—During the course of his remarks, the honorable member for Riverina implied that I do not understand clause 7 of the Bill. I think it will be generally admitted that he does not understand it. It was apparent that he had not read it carefully. I would point out to him that the clause does not deal with false trade descriptions. It provides that—

The Governor-General may by proclamation prohibit the importation or introduction into Australia of any goods specified in the proclamation, unless there is applied to them a trade description of such character, relating to such matters, and applied in such manner, as is prescribed by the proclamation or by the regulations.

In other words, the Minister, by proclamation, may prescribe certain descriptions regarding goods of which he really knows nothing. When those goods are imported they may be not only prohibited, but absolutely forfeited, not because they are improperly described, but because they do not bear the trade description which the Minister of his own motion has proclaimed as that which should appear upon them. Will any one say that that is a reasonable power to place in the hands of the Minister? No one would object to a provision requiring that all goods should bear proper trade descriptions, but the clause goes beyond that. The honorable member for Riverina said that Australian lambs were being sold in England as "superior Welsh lambs." I would remind him that this Bill would not in any way abolish that practice. Even assuming that packages

containing Australian lambs bore a true description of their contents on being exported, there would be nothing to prevent a man in England taking them out of those packages and selling them as "Welsh lambs."

Mr. CHANTER.—There is a registered ear-mark for Australian lambs exposed for sale.

Mr. LONSDALE.—Quite so; but I am speaking of what can be done under this Bill. Notwithstanding that there is a registered ear-mark in respect of Australian lambs, the fact remains that lambs so marked are being sold in the old country as "superior Welsh lambs." The Bill cannot interfere with that practice, and therefore the statements made by the honorable member were quite beside the mark. Then, again, we cannot prevent traders in other parts of the world from offering Australian wheat for sale as Manitoba wheat if they desire to do so. How could we brand the wheat we export? True, we might brand the bags, but it would be easy for those purchasing them in other countries to shoot the wheat into different bags, and to sell it as having been grown in Manitoba. How could such practices be prevented by any Bill that we might pass? When the honorable member suggests that they could he is talking absolute nonsense. We might impose certain restrictions so far as trade in Australia was concerned, but we could not regulate the actions of traders in other parts of the world. The consumer must protect himself; he must take care to examine the goods he buys, and to determine their quality for himself. I take exception to the powers proposed to be vested by this Bill in officers of the Department. To my mind they have not the requisite knowledge to enable them to judge of the quality of the various classes of goods passing through their hands. They are reared in an atmosphere of suspicion. They suspect every one. They are always after the man seeking to defraud the Customs—in fact, their environment is such as to make them naturally suspicious. They are not the right men to deal with delicate matters of trade and commerce as between Australia and other parts of the world. We have had illustrations of what may be done by these officers. I take it that in regard to a case which was recently discussed at length in the House the Minister was guided by the advice of his officers. If that be so, he

must recognise that the advice tendered to him was wrong—that it was tendered in accordance with political opinions, and was not due to any special knowledge the officers possessed.

Sir JOHN FORREST.—They have no political opinions.

Mr. LONSDALE.—I have no hesitation in saying that their advice was given really in accordance with their political opinions. The right honorable gentleman perhaps does not know them as well as do other people.

Sir JOHN FORREST.—They are not here to defend themselves, and the honorable member is acting meanly in speaking of them in this way.

Mr. LONSDALE.—I am simply stating a plain fact.

Mr. STORRER.—They are paid to protect the revenue of the Commonwealth.

Mr. LONSDALE.—I am confident that their advice in the harvester case was the result of their political opinions. The price at which they fixed those goods was altogether too high.

Sir WILLIAM LYNE.—I suppose the honorable member would say the same in regard to the jute wheat-bags?

Mr. LONSDALE.—I do not know anything about the case to which the honorable member refers.

Sir WILLIAM LYNE.—The inferior bags, at all events, have been prevented from coming in.

Mr. LONSDALE.—The matter has not been discussed in the House, and I am not familiar with the details. I would go so far as to say that an exporter of goods should be required to place upon them a fair description—that he should place his own name and the brand of his factory upon them. If that were done, in a very short time his name would become a guarantee of the quality of the goods which he sent forth to the world, and he would reap the reward of sending out the very best, or the very worst article as the case might be. I would not allow a man to export goods under the name of any other person, or under the name of a factory with which he was not connected. If, however, any one wished to export goods of second grade, I fail to see why he should not be permitted to do so, as long as he did not attempt to deceive the public.

Sir WILLIAM LYNE.—The Bill will allow that to be done.

Mr. LONSDALE.—I object to the vision that grading shall be carried by officers of the Commonwealth. Government cannot successfully carry the work. It would be utterly impossible for the Government, for instance, to grade the butter that we export. I take, for example, the position of the Byron Bay factory, which is thoroughly representative of the butter factories of New South Wales. That factory carries on its own business, and employs no Government officers. We have a State Board of Health to see that the dairies are properly constructed so that due attention is given to cleanliness. Every care is taken to insure the purity of the butter, and the factory-owners do not require any further Government interference.

Sir WILLIAM LYNE.—It is done in Victoria.

Mr. LONSDALE.—That is where this comes from. There is absolutely no self-reliance shown by the people of this State. They are crying out for a time for Government interference. The Minister says, "We have this system in Victoria," and I reply at once that the defects brought to light by the Butter Commission were the outcome of Government interference.

Mr. FRAZER.—They were nearly as bad as the practices revealed by the New Wales Land Commission.

Mr. LONSDALE.—The latter was the result of Government interference, which was admitted by witnesses examined by the Butter Commission that the Government stamp was often missing from its place, and that the officers were unable to say where it was to be found. I point out that it was being used by persons who were sending out inferior butter, and placing upon it the Government brand of quality. A concrete illustration of the ineffectiveness of Government grading was given the other day by the honorable member for Warrumbungle. He explained that he and a neighbour sent some lambs to the Victoria Government export stores, and that they declined to brand those forwarded to them as being fit for export. His neighbour's lambs, however, were branded in the same way, and both consignments went home on the same ship. They were consigned to the same salesman, and were sold on the same day, in the same market, with the result that those which the Government officers had refused to brand as being fit for export brought the highest prices. I was referred to the position of the Byron Bay factory.

when I was interrupted by the interjection of the Minister that the Victorian Government adopted this system. All that I have to say in that regard is that the sooner the people of Victoria refrain from seeking Government aid on every possible occasion the better. The Byron Bay factory, which, as I have said, is representative of the butter factories of New South Wales, asks for no Government interference. Seventy-five per cent. of the butter which it makes is sent into the markets of the world, and secures prices quite equal to those realized by butter manufactured elsewhere. The factory pays its suppliers of milk no less than £1,000 per day, and is in short the largest in the Commonwealth. The company are doing their own work, and simply ask the Government to leave them alone. They have made a name for themselves without any law such as that which we are now asked to pass. I was speaking the other day to one of the directors, who had just returned from a trip to England on the business of the company. They have no commercial agents, and he assured me that he had secured a reduction in respect of the insurance on the butter from the factory to the market, which in one year would more than cover the whole expenses of his trip. When men are able to conduct their business so satisfactorily, I fail to see why we should interfere with them as proposed by this Bill. The Minister of Trade and Customs referred to butter as one of the articles that would probably be graded. Imagine the Government grading the butter of a factory like that of Byron Bay, which is already securing top prices. Mr. Davidson, a large English buyer, was in Australia a little while ago, and was examined by the Select Committee on dairying which sat in Sydney. He distinctly stated that they did not buy the butter on the Government brand, but on its quality. He further said that the New South Wales butter, which is not branded with the Government stamp, obtains in the market a price equal to that given for the New Zealand butter, which bears the Government brand. When factories get a name for the quality of their butter, that butter obtains a good price wherever it is known, whether it bears a Government brand or not. The less the Government interferes the better. When a substance is injurious to health, or does not answer the purposes for which it is sold, its importation should be prohibited; but, under the Bill, although the importation

*Mr. Lonsdale.*

of goods under a false description is prohibited, there is nothing to prevent the alteration of the description and subsequent sale of the goods after they have passed through the Customs barrier. For instance, there is nothing to prevent the importation of adulterated manures, if their contents are properly described, and their subsequent sale under a different designation.

Mr. WEBSTER.—The honorable member's opinion of the honesty of the middleman is not very high.

Mr. LONSDALE.—If persons will import goods of poor quality—and the Bill is an admission of the belief of the Ministry that they do so—they will sell such goods after importation. I think that all that is required is the prohibition of the importation of goods which are harmful. The Bill will not prevent manufacturers within the Commonwealth from turning out such inferior goods as have been shown here this evening. It may be that these goods were manufactured within the Commonwealth. Some years ago I visited Victoria to see what was being done here in the manufacturing line, and was told by one of the partners of a large boot-manufacturing establishment that some manufacturers were taking a side of leather, splitting it into three, and using these split pieces to make uppers, the soles of the boots being made out of belly pieces and other inferior parts. Boots made in this way were being sold in Victoria, notwithstanding all the Government interference here, and the outcry against the importation of shoddy. I bought a pair of these boots, and took them back to New South Wales, as an example of what was being done here.

Mr. CROUCH.—What did the honorable member pay for them?

Mr. LONSDALE.—Something like 3s. a pair. I do not say that they were highly-priced boots. All that I say is that they were shoddy. The Bill does not prevent the wearers of boots and shoes from being victimized by local manufacturers of such shoddy. Its real object is not to protect the consumers, but to protect the local manufacturers. Even the honorable member for Riverina spoke of the need for protecting the consumer from being victimized by manufacturers here, although that is something which this Parliament cannot do; but the fact that such different opinions are held with regard to the measure shows the need for sending

it to a Select Committee, so that those who have a knowledge of its probable effects may give evidence upon it, and it may be understood, and made as perfect as possible. I shall support the motion, and I hope that the Minister will agree to it.

Mr. BRUCE SMITH (Parkes).—As I have had the advantage of speaking on the second reading of the Bill, I do not propose, if I can help it, to repeat anything which I said on that occasion, although the whole field is open to me under this motion. During the discussion a number of interjections have been made by honorable members of the Labour Party and others, which convince me that the measure is a very difficult one to oppose, not because of its nature, but because its supporters are evidently influenced by sentiment, and a very strong bias of a class character. I justify my statement in this way. The honorable member for Darling has brought into the Chamber two or three samples of articles in daily use, as instances of the fraud of some manufacturers. I admit his right to show these articles to honorable members, but his action proves the existence of sentiment behind the support which is being given to the Bill, and all experienced advocates know well that when you have sentiment and prejudice to deal with, all the logic in the world is of very little avail. I, therefore, feel that this is a very difficult Bill to oppose, or even to get referred to a Select Committee; but I shall address myself not to the bias or prejudice to which I have alluded, but to the reasons which it seems to me ought to actuate every level-headed man in this Chamber in dealing with it. In the first place, the honorable member for Kooyong is not endeavouring to kill the Bill, or even to injure, or belittle it. He has pointed out what I think he is not only entitled, but bound to point out, having regard to the position he occupies in the community as the head of the mercantile classes, that almost all the Chambers of Commerce in Australia have seen reason to direct their attention to the character of the measure, and to ask, not for its rejection, but for an investigation into its probable effects. I do not think it possible for an intelligent community to make a more rational request than that; and it was very well said by the honorable member for North Sydney that, if the Minister is not prepared to allow the measure to be investigated by competent men, he has very little confidence in it. I know that there is a very strong

prejudice nowadays against the appointment of Select Committees and Royal Commissions, though I do not think that justified. If the Select Committee is constituted of competent men, whose views are open, and the evidence of merchants and consumers—because I am a great advocate for the consumers—is put before them, no harm can be done; but the House afterwards be given an opportunity to judge as to the wisdom of passing this sort of legislation. The Minister has not before us any extraordinary circumstances necessitating haste in connexion with the measure. It is really not a measure introduced by him, but an heirloom from the Reid-McLean Administration; though an extraordinary thing is that the purpose intended by them has been frustrated. There is an old gibe about the difficulty of getting a joke into a Solomon's head, except by surgical operation, and the speech of the honorable member for Riverina, following that of the honorable member for North Sydney, said to me that it is equally difficult to get reasoning into the heads of some men. The honorable member for Riverina seems to have completely lost sight of the main fact before the House by the honorable member for North Sydney, who showed that if the Bill fails, not partially, but utterly, it will effect the purpose of the Ministry in framing it, namely, the protection of the purchasers and consumers of Australia. The Bill deals solely with importation and exportation. It requires every importer to give a specific description of every article that he brings into the country before it can pass the barrier of Customs-house officers; and it requires the exporters to describe accurately and truthfully every article which he wishes to export before it will be allowed to pass that barrier. If there is nothing in the Bill to provide for the following of our exports after they leave our shores, or to provide for the following of imports after they have passed the barrier of the Customs-house officers, it requires very little thought, after the speech of the honorable member for North Sydney, to see how the Government has lost sight of the original intention of the Bill to protect the consumers. A description is defined in the measure to mean a description which is likely to lead. It is not provided that a description shall not be false, "and" likely to mislead, but it must not be false, "or" likely

mislead. Nothing must come into this country under a description "likely to mislead," because such a description is defined in the Bill as a false one. We have been shown material which is said to be passed off as leather, though it is nothing but brown paper. I will take that as a typical case. There is not in this Bill any clause which will prevent the country being flooded with that commodity. It may be correctly described when it is imported. There is nothing easier than for an importer to describe that material as "imitation leather made of paper." He may bring in tons of it. It first pays duty—a lower duty than it would pay as leather. Then it can be sold to the manufacturers, and the manufacturers of Victoria can, without let or hindrance of any kind, make up hundreds of pairs of boots for use by the people of Australia. We are told that under this Bill it is possible to stop deleterious liquids which are sold as patent medicines. We know very well that a lot of very unwholesome stuff comes into this country bottled and labelled with all sorts of pretentious statements. But there is nothing to prevent an American or an European, or, if we like, a British firm, from sending the most injurious liquids in barrels into this country. The importer may give a truthful description of it. He may even, if honorable members like, call it by an injurious name—by a name that will discount its value. But the moment it passes the Customs House, it may go into a store, where it can be labelled and bottled, and it may afterwards be distributed all over Australia and consumed by the Australian people. There is not a word in this Bill to protect the public in such a case. Whether it is a question of importation or of exportation, there is not a clause in this Bill that protects either the public of the country to which our goods go, or the public of Australia to whom importations come. Surely the public for whom we have most concern, and regarding whom our highest duty exists, is the public of Australia. Yet there is not a word in this Bill that prevents a manufacturer of Victoria from sending goods which are falsely described into all the other States. There is not a word in this Bill that prevents a manufacturer in New South Wales from sending goods under a false description into other States. The whole purpose of this Bill has been lost. The consumer is neglected and disregarded

*Mr. Bruce Smith.*

in every clause. Still, that cannot be a fault in the eyes of some people, because, although I do not quote this passage with any evil intention, it is a fact that it appeared in an article in the *Age* only three days ago. I should like the honorable member for Riverina to listen to it, because, without, I think, taking the trouble to look at the article, he had the courage practically to accuse the honorable member for Parramatta of misquoting the journal.

*Mr. CHANTER.* — I beg the honorable member's pardon. I did not say he misquoted it.

*Mr. BRUCE SMITH.*—The honorable member practically charged the honorable member for Parramatta with unfairly criticising the article. I shall read what the newspaper said—

That is protection in its essence. It proclaims aloud as its cardinal principle, "Take care of the producer and the consumer will take care of himself." It is the very antithesis of the free-trader, who says, "Take care of the consumer and the producer will take care of himself." In these two phrases lies the essential antagonism of the two schools.

The honorable member for Parramatta said the *Age* laid this down as a fundamental principle—"Look after the producer and the consumer will look after himself," and that it had said of free-trade and free-traders that their principle was that if the State looked after the consumer the producer would look after himself. I say that that was practically a verbatim statement of what is contained in this article. I do not quote that for the purpose of attaching this Bill to either party in this House. But I do say that it is very gratifying to feel that that principle is not being espoused by the Minister in charge of the Bill. Because he has claimed it as a merit of this measure, that it does look after the interests of the consumer. If it did conserve the interests of the consumer without being calculated, in my opinion, to paralyze commerce, by reason of its attempt to moralize the whole commercial ramifications of Australian and foreign trade, I should be very glad to assist the Government in doing anything which would establish a higher standard of morals in trade. As I have stated in answer to an interjection, we all desire to make commerce and industry as honest as possible, but every practical man with a knowledge of the world recognises that there is a limit to one's ability—not to one's desire, but to one's practical



ability—to introduce a higher system of morals in either trade or commerce. I suppose that the common law of England is about as old an institution as we have, and, as I said once before, the common law of England recognises the impossibility of these higher standards of morals. I do not wish to be misunderstood as advocating a low standard of commercial morality in industry or commerce; but I am talking of our practical ability to deal with the subject. We often say of young people that they are impracticable because they do not know the world. As men get up in years, and acquire experience, they recognise, not that higher morals and ethics are less desirable, but that they are less attainable than young people are apt to imagine. I say that we should endeavour to check attempts to pass what I might call millennial measures—measures that are futile and impossible in their aspirations. The common law has long since recognised that it cannot insist in every case on the most absolute honesty on the part of parties who are concerned in commercial transactions.

Mr. WEBSTER.—It succeeds to a degree.

Mr. BRUCE SMITH.—Will the honorable member allow me, as one who has given some attention to the subject, to state the conclusion at which I have arrived? The common law lays this down as a rule—that if a man enters into a contract, and then finds he has been deceived, if he can show that the deception has been in regard to a latent defect, he has a remedy. But if it is a defect that he could have seen, the law says: “You may have been deceived, but we cannot protect you; *Caveat emptor*—let the buyer beware.” There is another principle of law which throws a very interesting light upon the fact that the Law Courts have seen the impossibility of going to extremes in these matters. We know very well that there is in law an offence which is called slander of goods; that is to say that one tradesman is not allowed to depreciate the goods of another tradesman beyond a certain point. But the Courts have recognised that what is called legitimate puffing in trade cannot be stopped by law. Therefore, when actions occur for what is called slander of goods the Judges constantly say, “Certainly, this is not true; but it is a mere puffing of the business which the law will regard as a legal wrong.”

Mr. CROUCH.—An auctioneer’s advertisement, for instance.

Mr. BRUCE SMITH.—If we are going to carry what I call the Truthful James standard—that is the name of a very moral book which all boys and girls used to be asked to read—into all aspects of trade, and to say that there shall be no advertisements on the part of auctioneers, and no description in a shop window such as “this is choice,” or “this is select,” or “this is the best quality,” unless the thing is so, we should have to extend our operations into every ramification of public and private life, and there would be no end to our efforts.

Mr. KNOX.—The Bill will be unfair unless it goes that far.

Mr. BRUCE SMITH.—The Bill will be unfair unless it provides for the protection of the Australian consumer. If the House is convinced that while the Bill provides that whatever comes into Australia shall be properly described for the few minutes or hours during which it is passing the Customs barrier, it can be used for all sorts of fraudulent purposes after it has come into the territory, and it is of opinion that although goods are required to be truthfully described and defined whilst they are passing the Customs barrier for the purpose of exportation to the British and European public, the marks can afterwards be altered to any extent, then we are not succeeding in our purpose. The Bill is not trying to succeed in its purpose, because the Minister in whose charge it is has evidently cut out the very clauses which formed the backbone and purpose of the measure in its original form. I have not, I hope, introduced any warmth into this debate; for, although I may speak vehemently, still I can assure honorable members that I have no feeling in the matter. There is no party feeling in this connexion. This is not a question that touches the issue of free-trade or protection. It is not a question of the strength of the Government or of whether they shall be defeated or not. We are a deliberative body, and are expected by the public to be practical business men. Although we may not be engaged in commerce, still we are expected to have some knowledge of the complexities and difficulties of the great trade which goes on between this country and the outside world. The Treasurer told us, in his Budget, the other night, that, annually, Australia exports goods to the value of £57,000,000, and imports goods to the value of £37,000,000. There is a trade to the amount of

almost £95,000,000 a year which is passing into and out of the Commonwealth. This Bill touches every commodity included in that sum, and the House, as a practical Chamber, with self-respect, with a desire not to pass a measure which may develop into a laughing stock, would do well to pause and consider whether it would not be better to have the Bill considered by a Committee of men specially chosen, who have its confidence, and are believed to be honestly and honorably actuated in any inquiry they may make.

Mr. WILKS.—Would not the term “honestly actuated” apply to every member of the House?

Mr. BRUCE SMITH. — I know very well that there is a class feeling existing in the House, because I hear merchants spoken of as if they were a class who were afflicted with a sort of dishonest tendency, just as I hear manufacturers spoken of as if they were an injured class. These are all class biases, which every man who desires to take a level-headed course throws off. He knows very well that in every class, whether it be the importers or the manufacturers or the consumers, there are honest and dishonest persons. Assuming that these prejudices exist in the minds of some honorable members, let us have a Committee whom the whole House approves to examine the manufacturers and the importers. Let the importers be heard at least, because sometimes I hear protectionists talk of importers as if they were a special breed from whom nothing that was honest could be expected. Let the importers be examined on oath, if honorable members like. We know very well that when the Tariff Commission came, the other day, to examine the manufacturers even of Victoria, it was found that they were selling flannel which was supposed to be made of wool with 45 per cent. of cotton in it. That did not startle me, nor did it startle a great many persons.

Mr. CROUCH.—That statement was not proved, and it came from an enemy, who is unreliable.

Mr. BRUCE SMITH.—It was alleged, in the first place, that the flannel contained 70 per cent., but that was shown to be untrue, although it was admitted afterwards by a manufacturer that it contained 45 per cent. I mention that fact, not as against the manufacturer, but to show very well the sort of thing is going on, not among the importers only, but among the manufacturers

too. Have we not had instances mentioned here in which hats are being made in these States—it is done in Victoria, and I believe in New South Wales too—and specially marked inside “Made in England.” Why? Because the shopkeeper considers that the consumer, for whom there is so much concern, prefers a hat bearing that mark. Honorable members know very well that all over the world the manufacturer studies the whims and fancies of the public just as carefully in food as in dress. He watches for the tendency of the public in a certain direction. Immediately the American manufacturer detects a tendency towards vegetarianism, he begins to make up all sorts of cereals, in forms which he calls “grape nuts.” We find a variety of goods intended for food which are manufactured in order to appeal to the moving taste of the public in food. Are we going to attempt to cure that, to eradicate it, in order to induce a high standard which, however desirable, all experience has shown to be impracticable? The honorable member for Kooyong, as the president of the combined Chambers of Commerce of Australia, represents a position which we ought to respect here. When I use the term “respect,” I do not wish to be understood as saying that he should receive more attention than does any man who is not connected with those institutions. But he moves this motion for a Select Committee as the representative of a large body of mercantile men who know the difficulties and complexities of commerce. The House would do well not to stop the Bill, but to pause. Under all the circumstances, seeing the extraordinary shortcomings which have been pointed out in the Bill, from the fact that it does not protect the consumer either abroad or here, it behoves the Government and every member of the House to pause with regard to its passage, and merely to say, “We do not express any opinion on the Bill at the present time. We should like some special evidence on its subject-matter from all classes affected, and when we have that evidence, with a short report, the value of which we can judge for ourselves, we can then determine whether the Bill is one which would do credit to the Parliament, and effect the purpose which we have in hand.”

Mr. WILKS (Dalley).—We have listened to an admirable speech, which should convince honorable members of the absolute necessity of voting against this measure.

I agree with the honorable and learned member for Parkes that it will not carry out the intention for which it was introduced. It is possible that the commercial immorality of the importer is only equalled by the commercial immorality of the local manufacturer. I know of a manufacturer in New South Wales who has placed locally-made boots on the Sydney market with the brand, "Made in America." This gentleman is a good protectionist, and is well known to some members of the Ministry, and he has availed himself of the subterfuge to which I have referred to sell the goods he manufactures. We are aware that the principal intention of such a measure as this should be to secure to the consumer a healthy food supply. We are not so much concerned with inferior wearing apparel, as with the injury done to the health of the community by the consumption of foods and medicines of a deleterious character. This is a matter which can best be dealt with by a Foods Adulteration Bill. I have already spoken on the second reading of this measure, and I now rise merely to protest against it being referred to a Select Committee. In almost every speech I have recently made, I have had to direct attention to the tendency on the part of members of this House to grant applications made for the appointment of Royal Commissions and Select Committees. I do not wish to pose as an Ishmaelite in my opposition to this tendency. The honorable and learned member for Parkes has just inferred that this House seems indisposed to grant a Select Committee for the consideration of measures of this kind. The position is absolutely the reverse, and there is now hardly a member of the House who is not a member of one or more Select Committees, or of a Royal Commission. The honorable and learned member for Parkes has said that this measure will not carry out the intention with which it has been introduced, and should consequently be referred to a Select Committee. In proposing that this measure should be so referred, the intention of honorable members may be to destroy it.

Mr. BRUCE SMITH.—There is some merit in the Bill, and we do not wish to destroy it.

Mr. WILKS.—If some honorable members desire that it should be referred to a Select Committee, in order that it might be destroyed, that should be stated openly.

Mr. KNOX.—That is not my intention.

Mr. WILKS.—I am aware that it is not the intention of the honorable member for Kooyong. I desire, as strongly as does any member of the House, to protect the interests of the consumers of Australia. In their own interests the Government should resist the attempt to refer this measure to a Select Committee. If they believe in it they should fight to the last ditch to carry it, and if they do not believe in it they should withdraw it. Are we to understand that in the Commonwealth Parliament, which should be the exemplar for all the Parliaments of Australia, there has been introduced a system of Government by Select Committees? Why should this measure be sent to a Select Committee? Is it desired to obtain information which the departmental officers should have obtained for the Minister? I am tired of the practice of sheltering civil servants. The Minister of Trade and Customs is supposed to have at his command the advice of expert officials, and if they have failed to arm him with information to meet the objections urged against this Bill they have neglected their duty, and should be dismissed. Instead of this action being taken it is proposed to refer the Bill to a Select Committee; that will involve expense and further delay.

Sir WILLIAM LYNE.—The Bill will not go to a Select Committee if I can help it, and that is also the view of the Prime Minister.

Mr. WILKS. — Will the Minister of Trade and Customs resist the proposal to refer the Bill to a Select Committee?

Sir WILLIAM LYNE.—Certainly.

Mr. WILKS. — The Prime Minister must know that the tendency to refer measures to Select Committees and Royal Commissions is positively becoming a disease in this House. The honorable and learned gentleman knows that there is such a thing as Ministerial responsibility, and I ask whether he and the members of his Government are prepared to continue in office under a system of Government by Select Committees?

Sir WILLIAM LYNE.—I do not think honorable members will hear any more of the Bill if it is referred to a Select Committee.

Mr. WILKS.—Is that an admission that the Minister fears that the Select Committee would emasculate the Bill?

Sir WILLIAM LYNE.—Certainly not; but I will not have the measure taken out of my hands.

Mr. WILKS.—I can applaud the Minister for that. I believe the honorable gentleman takes a proper stand when he says that, having introduced the Bill, he will not allow the measure to be taken out of his hands. That is in accord with our system of responsible government. I trust that the press will take notice of the great expense to which the Commonwealth is put by the frequent appointment of Select Committees and Royal Commissions.

Debate (on motion by Mr. SPENCE) adjourned.

### HIGH COMMISSIONER.

Mr. SPEAKER reported the receipt of a message from the Senate forwarding the following resolution, and requesting the concurrence of the House of Representatives—

That, in the opinion of the Senate, the High Commissioner for the Commonwealth of Australia should, when selected, be selected by exhaustive ballot at a joint meeting of the Senate and House of Representatives.

Mr. FRAZER (Kalgoorlie).—I have been asked by the honorable senator who moved the resolution in another place to take charge of it in this House, and I move—

That the consideration of the message in Committee be made an order of the day for Thursday, 12th October.

Question resolved in the affirmative.

### ADJOURNMENT.

#### ORDER OF BUSINESS—ORIENT MAIL CONTRACT FOR BRISBANE SERVICE.

Mr. DEAKIN (Ballarat—Minister of External Affairs).—I move—

That the House do now adjourn.

To-morrow we propose to continue the debate on the Commerce Bill.

Mr. CULPIN (Brisbane).—I desire to know whether the Prime Minister is in a position to afford us any further information with regard to the arrangements for the extension of the Orient mail service to Brisbane?

Mr. DEAKIN.—The despatch received from the Premier of Queensland, covering the new contract made between that State and the Orient Company, has only just come to hand, and some time will be required for its consideration. I do not hope to be able to deal with the matter before the end of next week, if then.

Question resolved in the affirmative.

House adjourned at 11.2 p.m.

## Senate.

*Friday, 15 September, 1905.*

The PRESIDENT took the chair at 10.30 a.m., and read prayers.

### MILITARY SYSTEM.

Senator HIGGS.—I wish to ask the Minister of Defence, without notice, whether he has read the report of the proceedings in another place, in which the administration of the Military Forces has been questioned, and if so, whether he proposes to have a general inquiry made as to our military system as a whole, and not merely as to the regulations?

Senator PLAYFORD.—I have only glanced through the *Age* report of the proceedings in another place. Not one of the cases therein mentioned was known to me except that of the man called Watts, who had applied to be examined, so that he might qualify himself for promotion from the ranks to the position of an officer, but whose application the late Minister of Defence, Mr. McCay, acting upon the advice of his officers, had refused. When I looked through the papers, I came to the conclusion that the application should be granted, and I gave orders at once accordingly, but it so happened that the examination had taken place. However, he is to go up at the next examination. That is the only case mentioned by Mr. Crouch of which I have any knowledge. I cannot give a definite answer to the question as to whether I shall have a full inquiry held into matters outside the complaints which have been made. But I promise that all the complaints which have been made shall be thoroughly investigated, and that justice shall be done so far as lies in my power. With regard to the broader question of administration. I shall have to consult my honorable colleagues as to what course I should adopt. But, individually, I shall take care that, as regards officers and men, no injustice or unfair treatment shall be permitted; that the officers shall deal impartially and considerately with their men, and that if there is any unjust or unfair treatment of them, punishment shall be meted out to those who are responsible for it.

# SUGAR INDUSTRY: ABORIGINES.

Senator WALKER.—Preliminary to asking a question, I desire to draw the attention of the leader of the Senate to the fact that he did not give an answer yesterday to my question concerning the exclusion of aboriginal quadroons and octoroons from the sugar industry. At Bundaberg I have seen quadroons as light in colour as many an honorable senator, and I desire to know whether my honorable friend's answer is intended to apply to quadroons and octoroons, as well as to half-castes?

Senator PLAYFORD.—I think that the Act refers to only half-castes. I do not know in what category quarter-castes or eighth-castes would come, and therefore I cannot answer the question. It is a matter for lawyers to determine. I believe that the Act alludes to only coloured people and half-castes. Whether quadroons and octoroons would be treated as white people I cannot say. At all events, they would have more white than black blood in their veins, and perhaps they might be given the benefit of the doubt.

## APPROPRIATION (WORKS AND BUILDINGS) BILL.

### SECOND READING.

Debate resumed from 14th September (*vide* page 2289), on motion by Senator PLAYFORD—

That the Bill be now read a second time.

Senator PULSFORD (New South Wales).—The Bill asks for a grant of £418,000, but I observe that if it be passed we shall really commit ourselves to an expenditure of about £575,000—in fact, to more than that sum, because the amounts which are to be appropriated total nearly £500,000, and £81,000 is deducted on the ground that it may not be spent during the financial year. It should be remembered that the Treasurer definitely said that he desired to spend during the financial year the full amount of the votes, and we ought to be told whether any special effort is to be made to carry out that desire, because in that case the States might have to provide during the current year for rather more than is asked for.

Senator PLAYFORD.—The Treasurer only meant the amount which is set down here.

Senator PULSFORD.—If the works individually are carried out, then the aggregate must be greater than the total sum

asked for here, because the Treasurer deducts £81,000.

Senator MATHESON.—He cannot do it.

Senator PULSFORD.—If the Treasurer gets power to do the individual pieces of work mentioned here, and they aggregate £500,000, then that amount will be spent quite apart from the fact that he deducts £81,000. That is a peculiarity of the statement which I think wants a little attention. In passing this Bill, we are not only granting the amount of £418,000 which is asked for, and the £81,000 which is to be carried on, but there is a total of about £75,000 more which appears item by item in footnotes. That is a system which is open, I think, to some abuse. For instance, we are committed here to an expenditure of £30,000 in connexion with the General Post Office at Melbourne, the vote for this year being £10,000. I presume that if the work is once commenced it must be completed.

Senator PLAYFORD.—We do not want the Parliament to vote the money if we cannot spend it.

Senator PULSFORD.—I am not discussing that point now. I am pointing out that by passing this vote to begin the work we commit ourselves practically to its completion, and that therefore the request for a vote of £10,000 practically means committing the Commonwealth to an expenditure of £30,000.

Senator PLAYFORD.—Undoubtedly; that is fully shown here.

Senator PULSFORD.—I do not instance the case of the Melbourne General Post Office for the sake of drawing an invidious comparison, because every New South Welshman admits that in point of accommodation it is far behind the Sydney General Post Office, and that the people of the former city are quite entitled to look for increased accommodation. I am not complaining about the amount now asked for. What I wish to draw attention to is the policy, and I think the Senate ought to look at the amount as £30,000, not as £10,000. If a sum of £30,000 is to be spent in this way, ought not the Senate to have some information on the point? I think so, because as the Commonwealth grows the expenditure will become very large indeed, and by voting a small amount to begin a work it may at times be committed to an expenditure which, if seriously considered, would have been objected to. The amount asked for really

aggregates, not £418,000, but £575,000. But it does not quite stop there. There is a footnote on page 7, which says, in regard to the item of £1,000 for a rifle range at Brisbane, "Total estimated cost, exclusive of land, £5,000." I do not know whether the land will cost a small or a large sum, but it is desirable that the Senate should know the estimated purchase price. Another point which must strike us all is the very large sum which is required for Western Australia. Taking the amounts which it is proposed to spend this year and the amounts to which the Commonwealth will be committed, I find a total of £122,000, plus that proportion which goes to Western Australia under the grant for special defence material, so that that State is doing very well out of the Federation. By a contribution of between 6 and 7 per cent. it is obtaining this large expenditure. Of course, as a matter of defence, I recognise that an expenditure in the West is practically an expenditure in the East. Any expenditure for the defence of a vulnerable part of Australia is a payment for the defence of the whole, and therefore I shall always take a broad view of any such proposal. As Western Australia is growing more rapidly than any other State, it is natural that the expenditure for new buildings must be on a large scale. I remark this because I am willing at all times to view such matters as they should be viewed, in a truly Federal spirit, and from the broad stand-point of the welfare of the Commonwealth. There is one question on which I wish to dwell, and that has to do with the distribution of what is known as "other" expenditure. In the papers distributed in connexion with the Budget, are included, on page 14, figures showing the population of the States year by year since Federation and the percentage of each State in the total population of the Commonwealth. I find on the basis of these figures that four of the six States are paying towards expenditure a smaller percentage than their share. They are all paying a larger amount in the aggregate, but four are paying a smaller percentage this year than they did in the census year of 1901. Tasmania, according to this statement, will pay a somewhat smaller proportion; South Australia's contribution will be slightly smaller; and Western Australia's contribution will also be slightly smaller. In the case of those three States the

fall in the percentage is so small that we may say that it is practically stationary. However, to make the point clear I will give the difference. The Tasmanian contribution falls off by 0·10; that of South Australia by 0·32; that of Queensland by 0·15. Victoria's proportion, however, falls off by the substantial amount of 1·79. Two States are paying a heavier proportion. Western Australia is one. She is estimated to pay this year 6·35—her total having risen from the census year by 1·50. I may say, in passing, that under the Constitution Western Australia, by virtue of her increase of population, is actually entitled now to five members in the House of Representatives. New South Wales is the other State that is showing an increase of population, and a consequent increase of payment. This brings me to what I consider to be a very important and serious matter. The Government has deliberately refused to recognise the crying need for the redistribution of representation on the ground that the population figures of the Statists cannot be relied upon. But they proceed to distribute the expenditure on the basis of figures which they decline to acknowledge in regard to representation, and which they and their friends for a considerable time past have done their best to prejudice and to discredit. To come to the exact result, I find that if what is known as the "other" expenditure for this current year were distributed on the basis of the population of the census year—that is, the basis on which the representation is fixed—the State of Victoria would have to pay £16,000 more than she is debited with in these accounts. On the other hand, if New South Wales were debited on the figures on which her representation is fixed she would save £7,000. I say that that is a very serious matter. The Government has deliberately done its utmost to put back the re-arrangement of representation. Not only since Ministers have been in office have certain gentlemen done this, but before they reached office they did their best to block the reform. I desire especially that the Senate should notice the fact that New South Wales is called upon to pay—and rightly called upon to pay; I am not objecting to the fact—according to her population. What I object to is that as her population is growing she has been refused that increase of representation which is shown to be her right.

Senator MILLEN.—That is, the expenditure is distributed on figures which the Government refuse to accept for representation purposes?

Senator PULSFORD.—That is it. In the case of Victoria there is a very material reduction in the debit.

Senator PLAYFORD.—These are the Estimates of the previous Government.

Senator MILLEN.—But the Government dispute the estimates of population, except when they want to distribute expenditure.

Senator PLAYFORD.—Evidently that is what the previous Government did.

Senator PULSFORD.—Just so; the previous Government accepted these figures.

The PRESIDENT.—Does the honorable senator think that that is relevant to the subject-matter of this Bill?

Senator PULSFORD.—I do. I do not think that anything can be more important than the distribution of expenditure. That is the point I am raising. Yesterday, I had intended to move the following words, as an amendment to the motion, "That the Bill be now read a second time"—

But, in view of the fact that the division amongst the States of the proposed expenditure is to be made on the basis of the estimates of population made by the Statists, this Senate expresses its regret at the delay that has taken place in re-arranging the distribution of seats in the House of Representatives on the same basis, as representation and taxation ought to go together.

The PRESIDENT.—That amendment could not be moved.

Senator PULSFORD.—Since drafting that suggested amendment, I find that the Standing Orders stand in the way. My ammunition and my weapon do not fit. But though I am precluded from moving such an amendment, I am not precluded from drawing the attention of the Senate to the fact that New South Wales is charged a great deal more, and Victoria a great deal less, on the basis of population figures which the present Government say are not to be trusted for the purpose of re-adjusting the representation. This, therefore, is a matter which calls for the attention of the Government. If they discredit the figures, they ought to re-adjust the distribution of the expenditure, but if they admit that the figures are right, they should proceed to deal with the matter of the representation.

Senator MATHESON (Western Australia).—I have a few words to say on this

Bill. In the first place, I should like to allude to Senator Pulsford's statement that Western Australia is doing very well out of the expenditure on public works.

Senator MILLEN.—It is obvious.

Senator MATHESON.—I have heard other honorable senators make exactly the same remark. But they seem to overlook something which is very important. It is this: That, supposing these public works had been treated as a continuation of old services, and these amounts had been debited to the States instead of to new services, the Commonwealth at an early date would have had to pay the States for the properties transferred in exactly the same way as the Commonwealth is now being debited with the cost of their construction.

Senator STANFORTH SMITH.—That was, no doubt, Sir George Turner's reason for altering the arrangement.

Senator MATHESON.—I will come to the reason directly. The rate of distribution would have been exactly the same; and when once it is admitted that Western Australia requires to have these works executed, the question of proportion between the States is quite immaterial.

Senator PULSFORD.—I admit that.

Senator MATHESON.—The money has to be spent in the West, and, for all practical purposes, it is immaterial whether the whole of the States are debited *per capita* to-day or to-morrow.

Senator MILLEN.—That argument is affected by any ultimate scheme which we may adopt for the distribution of surplus revenue after the expiration of the book-keeping period.

Senator MATHESON.—I think the honorable senator is wrong there, because until the transferred properties are paid for, his contention would not affect the case. At the present time, they have not been paid for. However, the position is this: In my opinion, the reason which influenced Sir George Turner in making this arrangement had nothing to do with Western Australia, but arose from the desire to placate the Treasurers and Premiers of the Eastern States. Suppose the States were debited, as they were in the first two or three years, with the expenditure on these works, then the expenditure of the Commonwealth would be largely reduced. The Treasurers of the Eastern States were with one accord anxious to make it appear that the expenditure of the Commonwealth was very much

larger than was actually the case. Therefore, they took exception to the method adopted by Sir George Turner in the first two years of the Commonwealth, which was to debit the States directly with additions to old services. The Premiers and Treasurers insisted that these amounts should be debited to the Commonwealth as new services, and the expenditure of the Commonwealth was therefore considerably increased. As honorable senators can see on reference to the Bill, this year it amounts to a total of £418,911. The greater portion of that sum would under the old system have been debited to the States as a continuation of the transferred services, and would not have appeared as Commonwealth expenditure at all. Therefore, the States Treasurers, who have talked so much about the extravagance of the Commonwealth, would have been deprived of the pleasure which that action apparently affords them. That is the reason, as I understand, why the method was adopted, and it is just as well that the reason should be clearly understood, and that the effect of the present procedure should be appreciated by honorable senators when considering these Estimates. To come to the Bill itself, I want, first of all, to deal with the votes on page 17. I think that Senator Playford, with the best intentions in the world, is adopting an extremely unwise policy, which I deprecate very strongly indeed. The Minister of Defence proposes, in dealing with the special defence material items, to omit a large portion of the expenditure which we are asked to authorize, in order that he may apply the funds so saved to the purchase of rifles and cordite, a purchase upon which we shall have no opportunity to express an opinion. The Minister explained perfectly candidly that he proposes to lay a statement before the Senate at a later date.

Senator PLAYFORD.—The Senate will then have an opportunity to criticise the expenditure.

Senator MILLEN.—Yes; after the cordite has been purchased and shot away.

Senator MATHESON.—I quite grant that the Senate will have an opportunity to criticise, but we shall have no opportunity to refuse the vote. This, I consider, one of the most important rights of the Senate, and one which ought to be very carefully safeguarded. I do not in the least wish to impute any want of good faith to the Min-

ister of Defence. I know that the honorable senator is approaching the matter with the best intentions in the world, but the procedure which he proposes to adopt seems open to very grave criticism. I shall now proceed to explain why I think, on the figures before us, that the proposed action is unwise. I cannot think that Senator Playford has cast up the sum total of the figures, or he would see that what he proposes is hardly feasible, so long as he retains a certain portion of any of the votes here. In the first place, the vote of £58,882 for the field artillery cannot be reduced. As a member of the Senate, I most strongly object to any reduction of that vote.

Senator PLAYFORD.—It is not proposed to touch that vote under any circumstances.

Senator MATHESON.—I am glad to hear that the vote is to remain intact; and if the Minister of Defence will enlighten me as to each vote as I proceed, he will shorten my remarks considerably. Then there is the vote of £10,260 for machine guns.

Senator PLAYFORD.—It is not proposed to touch that vote.

Senator MATHESON.—In my opinion that is absolutely essential expenditure, which ought not to be interfered with under any possible circumstances.

Senator PLAYFORD.—Hear, hear!

Senator MATHESON.—But I most strongly deprecate the proposed expenditure for two 7.5 guns.

Senator PLAYFORD.—Those guns have been ordered.

Senator MATHESON.—The Minister has "given the show away." We now thoroughly understand the way in which these Estimates are presented to us. After most careful consideration, I have come to the conclusion that these two guns are absolutely useless for our purposes. They are most excellent guns for specific purposes and ranges, but for our purposes they are, as I say, absolutely useless. I ask by whom were these guns ordered?

Senator PLAYFORD.—The guns were ordered long before the present Government came into office.

Senator MILLEN.—We can get no information from this Government, except that something has been done by somebody else.

Senator DOBSON.—This may be called the no-responsibility Government.



Senator MATHESON.—I have always argued that there is no responsibility in connexion with this Department, and apparently no one pretends that there is, except when we are discussing a Bill for its control. We are then told that this or that necessary reform cannot be carried out because to do so would interfere with Ministerial responsibility. That was the one reason why the amendments I proposed in the Bill last session were not accepted. The fact is that there is no such thing as Ministerial responsibility in connexion with this or any other Department of the Government.

Senator PLAYFORD.—When a Government is turned out of office their responsibility ends.

Senator MATHESON.—That is quite right. When a Government is turned out, members of that Government very often turn round and vote against the very measures they introduced.

Senator PEARCE.—Or stay away and do not vote.

Senator MATHESON.—Could responsible government be reduced to a greater farce? I do not aim those words at any particular Government, because such is the habit and custom of every Ministry, so far as I can see, no matter from what party it may be formed. As I said before, this vote of £24,000 is one that it is of no use discussing—the matter comes before us cut and dried.

Senator PLAYFORD.—These guns are for the fortifications of Fremantle.

Senator MATHESON.—Surely, if these Estimates are of any value they ought to come before us in such a condition that we can exercise our deliberative judgment in dealing with the votes asked for? We ought to be in a position to debate this question, and if we come to the conclusion that the guns are not necessary, to decide that they shall not be purchased. Suppose that after the Senate has listened to me this morning, it comes to the conclusion that these guns are unsuitable?

Senator PEARCE.—Did we not commit ourselves to this expenditure last session, seeing that in the Bill then passed it was indicated that two guns were to be procured?

Senator MATHESON.—The honorable senator is right in saying that the Government were going to procure two guns, but they were not in the Bill. I may say that I saw people connected with the Depart-

ment, and told them my reasons for strongly opposing the purchase of the guns.

Senator PLAYFORD.—How long ago was that?

Senator MATHESON.—That was at the commencement of last year, when I came over from Western Australia and heard that it was proposed to place the guns in the fort at Fremantle. The guns were not ordered at that time, but were only spoken of outside Parliament.

Senator PEARCE.—I think that in the Bill of last session the calibre of the guns was mentioned.

Senator MATHESON.—The honorable senator is wrong; there was no vote proposed, and no possibility of debating the matter. I want to know what procedure we could possibly adopt if the Senate came to the conclusion that these guns are unsuitable.

Senator PLAYFORD.—When it was mentioned that these guns were about to be purchased was the time to bring forward a motion affirming that they were unsuitable.

Senator MATHESON.—The honorable senator is not talking sense. I ask him, as a practised parliamentarian, how the Senate could express an opinion on a subject which was not before it? Indeed, the matter has never been before us until to-day.

Senator PLAYFORD.—It was known, and, so far as I remember, it was stated in the papers before the Senate, that the Government proposed to purchase two guns, the calibre of which was mentioned. The honorable senator then had a perfect right to submit a motion on the question.

Senator MATHESON.—The honorable senator is wrong in stating that we had an opportunity to express an opinion on the question.

Senator PLAYFORD.—An opportunity could have been afforded by giving notice of motion.

Senator MATHESON.—I have been watching the matter carefully with a view to expressing an opinion. I have had my notes ready for the last twelve months, and if any occasion had presented itself, the Minister of Defence may be perfectly certain that, whatever Government were in power, I should have expressed my opinion. It is not my habit to keep my opinions in the dark, when there is a possibility of making them public.

Senator MILLEN. — The Minister of Defence suggests that the honorable senator should have moved as a private member a motion which would have led to nothing.

Senator MATHESON.—The Minister of Defence is showing some little heat in this matter, and I should like him clearly to understand that I make no attack on him. The Minister is apparently helpless in the hands of fate—a fate provided for him by a predecessor. In all earnestness, I ask the Minister what means are open to us to get the order for those guns withdrawn if the Senate comes to the conclusion that they are not suitable? Is the person who ordered the guns to be asked to pay for them, and be left to utilize them for the ornamentation of his back garden or either side of his front door? We are supposed to be here controlling the finances of the Commonwealth, and I should like an answer to the question which I have just put. The Minister of Defence said just now that I did not take advantage of a previous opportunity. I now ask the Minister the question in advance, in order that I may take advantage of the proper procedure. What have we to do if the Senate concludes that these guns, which have already been ordered, are not necessary or suitable?

Senator PLAYFORD. — Unfortunately, the honorable senator, like myself, is in the hands of fate; the guns have been ordered.

Senator MATHESON.—Then what is the use of asking us to express a deliberative vote on the expenditure? Is this not reducing parliamentary procedure to a farce?

Senator GUTHRIE.—It is “responsible government.”

Senator PLAYFORD.—The same sort of thing has occurred in the Parliaments of all the States ever since I can remember.

Senator MATHESON.—The Minister of Defence excuses himself by saying that the same thing has occurred in the Parliaments of the States. I know that it has occurred time after time in Western Australia, and protests have been raised again and again. That fact, however, affords no justification for our continuing the same evil method under the Commonwealth.

Senator PLAYFORD.—The past Minister cannot be blamed—the blame rests with his advisers, who recommended the purchase of the guns.

Senator MATHESON.—I do not blame the advisers, but I blame the Minister of Defence for the time being.

Senator PLAYFORD.—The Minister of Defence has no knowledge of gunnery, and must trust to the advice of experts.

Senator STANFORTH SMITH.—On whose authority are those guns said to be unsuitable?

Senator PLAYFORD.—The only authority I know is that of the honorable senator who is speaking. I know the reasons the honorable senator is going to bring forward, because I supplied him with the “ammunition” he is going to fire off. I always give honorable senators every opportunity to get at facts.

Senator MATHESON.—I am very loth to interrupt this conversation, which is eliciting a good deal of information. I must admit frankly that I have received every assistance from the Minister of Defence, and, as I said before, I make these remarks in no spirit of animosity against either the present Minister of Defence or the present Government.

Senator PLAYFORD.—All I say is that it is not fair to blame a past Minister in a matter of this sort; the blame is attachable to the advisers of the Government who recommended the purchase of the guns.

Senator MATHESON.—There I distinctly join issue with the Minister. It is quite contrary to parliamentary procedure for any Minister to embark in a purchase of this sort without the authority of Parliament. I do not care what responsible advisers advise; it is the Minister's duty before embarking on such a policy to secure the approval of Parliament.

Senator PLAYFORD.—The approval of Parliament for the erection of fortifications at Fremantle, and to certain guns being mounted there, was obtained.

Senator MATHESON.—There the honorable senator is mistaken. The approval of Parliament was obtained for the fortifications at Fremantle, and for the mounting of two 6-inch guns at Arthur's Head. That matter received careful consideration, and if I had had any objection to the proposal I should have expressed it. Indeed, I had intended to oppose the proposal, but Colonel Owen gave me information which convinced me that the only policy to adopt was to mount those guns at Arthur's Head. I, therefore, raised no objection to what I had considered at first to be a mistake. The three items I have

enumerated give a sum total of £93,142. We have to add to that a sum of £41,060, which it is stated here is not to be expended, making a total of £134,202. That leaves £46,858 available for all other expenditure. Out of that amount, according to the Estimates placed before us, provision must be made for various other items, involving a total expenditure of £87,918. So that the Minister starts off with a list of reducible items involving a total expenditure which is double the amount available for the purpose. It must be reduced, therefore, by 50 per cent. in any case. I cannot see how the purchase of cordite and rifles as proposed can cost much less than £40,000.

Senator PLAYFORD.—We propose to spend £10,000 on cordite, and £22,000 on 5,000 rifles. That makes £32,000, which is rather less than the honorable senator's estimate.

Senator MATHESON.—I was only £8,000 out, but I do not know exactly what the price of cordite is, and I estimated the cost of the rifles at £5 each, instead of at a lesser sum. I think it will be found that the Minister of Defence has given the cost of the rifles without bayonets, and, as I assume that bayonets will have to be provided, it is likely that the cost will amount to £5 for each rifle and bayonet. The honorable senator proposes to spend £32,000 on these two items out of an available sum of £46,000. That will leave £14,000 to be expended on items in this list, which involve a total expenditure of £87,918. It is ridiculous that Parliament should be asked to expend that amount on specific items when, according to the Minister's own showing, he will have only £14,000 at his disposal for the purpose. Senator Playford may smile, but he will find it impossible to dispute the figures.

Senator PLAYFORD.—There is a vote of £58,000 down for field artillery, and a great deal of that may not be spent.

Senator MATHESON.—When I mentioned that item, the honorable senator said that the vote could not be reduced by one penny.

Senator PLAYFORD.—We have no desire to reduce it, but whether the whole of that amount will be spent during the year is very problematical.

Senator MATHESON.—The expenditure proposed on field artillery is one of the most justifiable items placed before us.

In the circumstances which I have stated, Parliament has some right to object to the way in which these votes are submitted to it.

Senator PLAYFORD.—I can now give the honorable senator the date at which the guns he referred to were ordered. It was 17th April, 1905.

Senator MATHESON.—If they were ordered at so late a date, I have some hope that the order could be countermanded by cable.

Senator PLAYFORD.—To get the guns the honorable senator suggests would double the expenditure straight away.

Senator MATHESON.—I shall come to that later on. In going through the Estimates, I find a number of votes for rifle ranges, but there is absolutely no provision made for an artillery range, unless some of these rifle ranges would be suitable for the purpose.

Senator PLAYFORD.—No, they are not. We are considering the matter of artillery ranges, but we have not sufficient information on the subject.

Senator MATHESON.—Is not that an extraordinary statement for a Minister of Defence to make? We have a vote here for 18-pounder guns for field artillery. They have an effective range of 10,000 yards—about 6 miles. It is essential for any purpose of defence that our field artillerymen should be exercised in the firing of those guns. They must be taught to train and aim them accurately, and the only way in which they can be given such instruction is by practise on ranges. A certain number of these guns are to be provided for each State, and it is almost incredible that we should be told that throughout the Commonwealth there is no place where these guns can be used with safety. No provision is made on these Estimates for acquiring artillery ranges, and the Minister of Defence says that he cannot get the necessary information on the subject.

Senator PLAYFORD.—Information as to where suitable sites can be obtained.

Senator MATHESON.—Exactly; no steps have been taken to investigate the question.

Senator PLAYFORD.—Yes, it has been investigated.

Senator MATHESON.—I am aware that the military authorities have directed the attention of previous Governments to the question, but it has been shelved, and

simply because, as I stated last year, in defence matters the Government are unwilling to come to Parliament for money.

Senator PLAYFORD. — It is want of money that prevents us from going farther.

Senator MATHESON. — It is not want of money, because, so far as I can judge, Parliament is quite prepared to vote all the money required. It is because the Government will not come to Parliament and tell the truth on these subjects, and ask for the necessary money. Although the departmental authorities, when these guns were ordered, called attention to the fact that artillery ranges were necessary, and although that notification has been repeated with each change of Government, nothing has yet been done in the matter, and the present Minister of Defence lacks information on the subject.

Senator PLAYFORD. — A range 6 miles long would cost some money.

Senator MATHESON. — These ranges must be 10 miles long by 4 miles wide to be of any use at all. What on earth is the use of buying these guns if they are not to be used in practise?

Senator PLAYFORD. — The guns can be fired all right if they are taken to the sea coast.

Senator MATHESON. — The Minister of Defence treats the matter in a jocose spirit, but the defence of our homes is one of the most serious questions that can possibly occupy our attention. It is of far greater importance than is any social question in the States, yet it is a question to which apparently no Federal Government is prepared to give five minutes' serious consideration. As a consequence, we have the present extraordinary state of affairs, in which first-class guns are ordered, and there will be no means of practising with them.

Senator PLAYFORD. — We will find a way to practise with them. What does the honorable senator think it would cost to purchase an artillery range 10 miles long by 4 miles wide in each of the States?

Senator MATHESON. — If the expense of providing ranges is prohibitive, we had better sell the guns, and have done with it. We have a Defence Force in which no one is effective, because no one is trained. The men of our defence force are very willing, but no opportunity is afforded them to become efficient. I come now to deal with the Department under the control of the Postmaster-General. I have

something to say in connexion with a proposal for a trunk telephone line between Sydney and Melbourne. In these Estimates I find a vote of £23,000 put down for the construction of the New South Wales branch of the line, and another of £11,000 for the Victorian branch, making a total of £30,000. There is no indication of the additional amount which will hereafter have to be spent to make the service complete. However, I have an official document, in which I find that the total amount required for the purpose will be £50,000. This particular service is included in a series of works submitted to the Commonwealth Parliament by Sir George Turner in 1902. I think the year was 1902, but, curiously enough, this parliamentary paper is undated. Sir George Turner, as Commonwealth Treasurer at the time, proposed to issue a Commonwealth loan, and in the schedule of works which it was intended to cover, this direct telephone line between Sydney and Melbourne is included, and the amount put down as necessary to complete the scheme is £50,000. We have now a proposal made to spend £30,000 of that sum. When the proper time arrives I shall move to strike out this vote. What is proposed is an absolute luxury, and a totally unnecessary expenditure of Commonwealth money. At present there are a number of works required in connexion with existing telephone systems in the various States, and essential to their proper working, which have not been carried out. In Melbourne, for instance, a departmental committee recommended that the whole of the telephone and telegraph lines should be laid underground in conduits, and an amount of £54,653 is stated to be required for this work, which has not yet been completed. It is, I believe, being carried on slowly, and is not likely to be completed for several years under the present scale of expenditure. This is, I contend, an absolutely essential work, and ought to be completed before we go in for luxuries such as a through telephone line from Melbourne to Sydney. Then there is the question of a common battery switchboard in the telephone office at Melbourne. That is an absolute essential. It was pointed out by the departmental committee that the present switchboard was utterly inefficient. It is the reason, I believe, for half the delay that takes place in using the telephone, and all

the inconvenience which subscribers suffer and which every honorable senator has experienced. It is of the very first importance that that work should be put in hand and completed.

Senator HIGGS.—If it is merely a question of expense the fee to the subscribers might be increased rather than have the service out of date.

Senator MATHESON.—The cost of the switchboard is set out in the Estimates at £30,000. That expenditure, which I see receives the approval of Senator Higgs, ought to be authorized long prior to this luxury of a through telephone. The departmental committee called attention to the fact that the switchboard in Adelaide is also quite out of date, and causes a largely increased expense in manipulation, which would be saved to the State if a common battery switchboard were put in. That, again, is a work which ought to be taken in hand in preference to this through telephone line. It would cost £13,000. Then the departmental committee strongly urged that the telephone system in Western Australia should be put underground. That would cost £23,500, and is an absolute essential to the working of the system. That also ought to be put in hand before this unnecessary expenditure is incurred. Sydney, I may mention, had not a common battery switchboard at the time the report was drafted, but curiously enough it has received one since. The estimate for the switchboard for Sydney, as for Melbourne, was £30,000; and I understand that the work has been completed. While these essential works in the other States remain untouched, I shall do my best to prevent the erection of the through telephone. I wish to call attention to the fact that it cannot possibly pay. The revenue is based on the estimate that a person will pay 6s. 6d. for a three minutes' conversation. It would be practically impossible to find in each State more than two or three persons who would be prepared to pay that fee. I appeal to Senator Walker as a business man to say whether it is likely that business persons would pay the fee.

Senator WALKER.—Probably the shipping companies and the banks might do so.

Senator GUTHRIE.—Very often they would pay a guinea for a three minutes' conversation, and it would pay them, too, to do so.

Senator MATHESON.—I have grave doubts about it.

Senator O'KEEFE.—The real question is how many persons would pay that fee in a year.

Senator MATHESON.—The estimate requires that thirty-two of these conversations should take place every day of the year except Sundays to provide the necessary income. The suggestion that thirty-two persons would be found ready every day to converse between the points at that cost is preposterous. The margin of time is twelve minutes, so that unless persons spoke every twelve minutes thirty-two conversations would not be held. It is perfectly clear, to my mind, that this telephone service would be monopolized during the working hours of the day by conversations between Ministers residing in Sydney and the heads of their Departments residing in Melbourne. These conversations, of course, would not be paid for. If perchance any commercial man came along and wished to ring up Sydney or Melbourne, as the case might be, he would be told that the line was occupied. We should have no means of testing how many paid conversations were held, and the Commonwealth would be saddled with this enormous expenditure of £50,000 without the least probability of ever seeing any return therefrom. It has been said in another place that that loss would fall upon Victoria and New South Wales, and that, therefore, it is unnecessary for the representatives of other States to take exception to it. But no means will exist for ascertaining the loss of interest on that sum.

Senator O'KEEFE.—If this through telephone line comes under the head of a new work, are not the representatives of every State very much interested in the expenditure of this sum?

Senator MATHESON.—Undoubtedly, because the expenditure is to be distributed *per capita*. The interest on £50,000 at 4 per cent. would amount to £2,000 per annum. We are entitled to expect that return to the Commonwealth if it is submitted as a remunerative work, as it is. We are told that the conversations would earn sufficient to cover the expense and the interest. In the paper I had before me the interest was put down at 3½ per cent., but I prefer to take the rate at 4 per cent. There would be no possible means of ascertaining whether the interest was earned. So that although the mere expense of

working the line might fall upon New South Wales and Victoria, the interest on the outlay would never be identified, and would have to be a dead loss to the Commonwealth. Therefore, the representatives of every State are materially interested in preventing the grant of this luxury at the present moment.

Senator DOBSON.—Do not the officials say that the line will pay 5 per cent. on the outlay?

Senator MATHESON.—The official estimate is that thirty-two talks on 300 working days at 6s. 6d. per conversation will produce £3,412, which is estimated to cover the interest on £50,000 at 3½ per cent., and the cost of maintenance.

Senator O'KEEFE.—Would it be possible for more than one conversation to be carried on at the same time? Has the honorable senator gone into that aspect of the question?

Senator MATHESON.—There is no indication in the report, which I read most carefully, that anything but separate conversations would take place. I think it is likely that, if more than one conversation did take place at the same time, in each case neither party would hear anything of the conversation in which he was specially interested. To justify my objection, and to illustrate my argument, let me call attention to the expenditure of £14,000 made by the Commonwealth on the telegraph line to Tarcoola, in South Australia. This line appeared on the list of public works which Sir George Turner proposed to construct out of loan money. It was constructed without the prior authority of Parliament being obtained, and, therefore, the Commonwealth had, in due course, to foot the bill. Only two or three days ago I called for a return of the traffic on the line, which, I may say, was not opened under any guarantee. In the first year the receipts amounted to £115. The revenue for the first half of this year was £57 3s. 8d., and for the succeeding two months £12 17s. 2d. The line is not earning 1 per cent. on the outlay, to say nothing of the cost of maintenance and working. I maintain that exactly the same thing would happen in the case of a through telephone line from Melbourne to Sydney. We now reach what, to me, is the most interesting portion of this Bill, and that is the question of the two 7½-in. guns and their ammunition. It is proposed to put these guns into a fort at Fremantle, and

the question I want honorable senators to consider is whether the guns are worth buying—whether they will do the work which the people of Fremantle and Australia generally will expect them to do. The first point that arises is the object of this fort. That has been clearly laid down by the Colonial Defence Committee—a body of experts who sit in London, and from time to time send out reports to the Defence Department in Australia. They have stated the object of this and similar forts in two or three separate papers. The last one was dated 25th November, 1903. They stated there that—

The object of fixed defences at Fremantle is to deter not more than four cruisers from lying outside the breakwater and destroying the wharfs and shipping by gun-fire.

There we have a definite statement of what these guns are for. The Defence Committee finish up their memorandum by saying, "Some of the cruisers might be armoured." Therefore, we have to consider whether these guns are sufficiently strong to keep at bay cruisers, some of which may be armoured, and to prevent them from destroying the wharfs and shipping of Fremantle. This merely repeats what the Colonial Defence Committee said in other words in their report for 1901, which, consequently, I need not quote. The next point that we have to consider is this: What is the object of having heavy guns at all? Brassey, in the 1904 edition of his *Naval Annual*, clearly lays down the object. I am quoting authorities, because, whenever I speak on these subjects, some frivolous senator gets up and says, "Oh, you pose as being a military expert." I do not pose as a military expert in the slightest degree, but I do like to look at these things from a practical point of view, and, therefore, I quote the opinions of people who are experts. Brassey is an acknowledged naval authority, and he says—

The principal function of the heavy guns is to pierce the enemy's armour, and either to let in water, or to destroy engines, boilers, guns and mountings, or the men protected by that armour.

We have first of all laid down by authorities the force that we have to deal with; and, secondly, the function of the guns we intend to employ. The matter, therefore, is brought down to a nutshell. Are these 7½ guns capable of piercing the armour of armoured ships which are likely to lie off the harbor of Fremantle?

Senator PLAYFORD.—It depends upon the thickness of the armour.

Senator MATHESON.—Exactly, and I am going to deal with that question. Fortunately, I can again fall back upon the Colonial Defence Committee's report. They give us officially the penetrative power of these 7½ guns.

Senator PLAYFORD.—It is necessary to know what they have to penetrate—whether the cruisers are armoured with plates 5 inches, or 6, 7, or 8 inches thick.

Senator MATHESON.—Exactly, and I have here all the information that can be obtained on that subject. I intended to place it at the disposal of the Minister because I know that he has every desire to do the right thing. He admits that he has very little knowledge of the subject himself—in fact, that he only looked into this question for the first time the day before yesterday.

Senator PLAYFORD.—Oh, a day or two before that.

Senator MATHESON.—The Minister stated in his speech last night, that these supplementary works estimates never came under his cognizance until they were before the other House; and I think he will admit that he did not give any very serious attention to the penetrative power of these guns until I called his attention to the matter.

Senator PLAYFORD.—Hear, hear; that is quite right. The honorable senator called my attention to it.

Senator MATHESON.—And I asked the Minister how he came to order these guns. He told me in his explanation that he was relying on his experts.

Senator PLAYFORD.—I did not order them, but I have no doubt that the Minister who did relied on his experts, and he is in no way to blame.

Senator MATHESON.—The Colonial Defence Committee, in an official document, inform us that the projectile from a 7½ inch breech-loading gun has a penetrative power on Krupp steel of 5½ inches.

Senator PLAYFORD.—At what range?

Senator MATHESON.—At 6,000 yards. For fear that any honorable senator should cavil at the range, I may mention that that is the range chosen by the Colonial Defence Committee as being an ordinary range. I have a cutting which states that three and a half miles—which is about equivalent to 6,000 yards—is a close battle range for ships. In addition to that, in

the Boer war guns were silenced at a range of ten and a half miles; others were silenced at a range of 9,000 yards, and the practise range in Sydney is from 4,450 yards to 4,500. So that a range of 6,000 yards is not at all unusual, and is a range at which battleships or cruisers would be likely to fire. Under these circumstances, we have to consider whether the ships which are likely to come to Fremantle harbor will carry more than 5½ inches of Krupp steel armour or not. In this connexion I have obtained some very interesting information. We have to bear in mind, first of all, that armoured cruisers are the kind of vessels that will probably be despatched to these waters in time of war. Out of the whole of the armoured cruisers and battleships in the British fleet—that is to say, out of 107 ships—there are only ten having armour that these 7½ guns could affect at that range. I go a little further than that; and without any desire to suggest that we are likely to be at war with France, I take the French Navy as that of a foreign Power with which we might very well draw comparisons. I find that out of seventy-four armoured cruisers and battleships in the French Navy, there are only nine against which these guns would be effective.

Senator DOBSON.—What is the average thickness of the armour of men-of-war?

Senator MATHESON.—It varies from 9 inches of Krupp steel in English battleships down to 4 inches on the new county type of cruisers.

Senator GUTHRIE.—Some ships have an armour of 14 inches.

Senator MATHESON.—I am speaking of the armoured belt. No ships, I think, have armour of Krupp steel 14 inches in thickness. Some ships of an older type have thicker armour of wrought iron, but they are now out of date.

Senator DOBSON.—Then these guns are useless?

Senator MATHESON.—They are absolutely useless for all practical purposes.

Senator O'KEEFE.—That is a very serious statement to make, and there should be some reply from the experts who are responsible.

Senator MATHESON.—Under these circumstances, I wish to put this on record, and it is perfectly well known to everybody who studies defence matters, that Major-General Hutton and a number of the staff officers employed under him were

strongly opposed to Fremantle being armed at all.

Senator PLAYFORD.—Hear, hear.

Senator MATHESON.—The Minister admits that what I say is true. I also wish to place on record my contention that it is an absolute waste of money to spend one single penny on the fortifications of either Fremantle, Sydney, or Melbourne, unless guns of a higher calibre than 7·5 are to be employed.

Senator PEARCE.—Was that Major-General Hutton's reason?

Senator MATHESON.—No; the reason, I think—I have it only on hearsay—was that the more you increase the defensive power of Fremantle the greater would be the force employed against it if any enemy desired to attack it.

Senator PLAYFORD.—He wanted only one fortified place in the neighbourhood.

Senator MATHESON.—Major-General Hutton's opinion was that Sydney was the only place in Australia that he would fortify if it were left to him, because it was a naval base. Whether his point of view was right, or whether it is a point of view which we need adopt, is another question.

Senator DOBSON.—What is the price of these two guns apart from ammunition?

Senator PLAYFORD.—About £40,000 odd; and the price of 9-inch guns would be about £80,000.

Senator MATHESON.—Two 7·5 guns, according to the estimate of the Colonial Defence Committee, would cost about £16,600.

Senator PLAYFORD.—That is for the guns alone, but I was taking into account guns, mounting, and everything concerned.

Senator MATHESON.—Then there is £5,600 for ammunition, and the cost of erection would be £12,000, according to the estimate.

Senator STYLES.—What is the effective range of a 9·2 gun?

Senator MATHESON.—The range does not matter so much as the penetrative power at any given range. It appears that the first local recommendation in connexion with the defence of Fremantle was to mount an old 9·2 gun which is called "E O C 1887," and was lying at Sydney in store.

Senator DAWSON.—That is a muzzle-loader, I think.

Senator MATHESON.—No. It was a good enough gun in its day. The proposal was that that gun should

be taken to Fremantle and mounted in connexion with two 6-inch guns. But the Colonial Defence Committee pointed out, first of all, that one big gun would be useless in connexion with two 6-inch guns, and that for any efficient defence at all it was requisite to have four guns; and in the second place they pointed out that two 9·2 guns of the old mark would be no more efficient than the guns which we propose to purchase, namely, 7·5. I think the Minister will admit that I have put the case fairly. That is to say, the 7·5 guns which Australia has been recommended to purchase would be about as efficient as the 9·2 old-mark gun which was lying in Sydney.

Senator DE LARGIE.—Are any of these guns quick-firers?

Senator MATHESON.—No; no gun over 6 inches is a quick-firing gun.

Senator DE LARGIE.—Are there any quick-firing guns in Australia?

Senator MATHESON.—There are a few.

Senator PLAYFORD.—There are some quick-firing guns at Sydney.

Senator MATHESON.—That, however, is not the material point. The idea is to have heavy ordnance, capable of penetrating armour at a distance of 6,000 yards, whereas quick-firing guns are short range guns, and do not meet that requirement. When, with the consent of the Minister in each case, I went to discuss the matter with the departmental officials, I was always met with the reply that in the opinion of the Defence Committee the 7·5 gun was quite as good as the 9·2 gun. In 1903 the new 9·2 gun was perfectly well known in England as a first-rate weapon. It is "mark x" wire-woven, and a most excellent weapon; but every time I spoke of it I received the reply I have just indicated. But now, curiously enough, the Defence Committee report in another paper—and I think the Minister will admit that I am not committing any breach of confidence—that the penetrative power of the 9·2 gun is 7·8 inches of Krupp's steel at 6,000 yards.

Senator DOBSON.—As against the penetrative power of 5½ inches of the 7·5 gun?

Senator MATHESON.—That is so. I then turn to *Brassey* to see what effect our having such a gun would be, because I maintain that, if we make any purchase at all, we ought to purchase new 9·2 guns for all our forts. I found that if we had this gun at Fremantle there



are only twenty-five battle-ships out of the 107 in the British Navy that would dare bombard that port. The difference in the position would be that if we had the 9·2 gun, only twenty-five ships, instead of ninety-seven, would be able to make an expedition with any hope of success, in destroying the shipping and wharfs at Fremantle. It struck me that this was a gun which would really be worth having. We have to bear in mind that an enemy would know exactly our armament; there is no use in trying to deceive an enemy who would know our position as well as we do, if not better. If an enemy knew that there were 9·2 guns waiting for them they would be obliged, either to abandon the idea of a hostile expedition, or to send down ships capable of dealing with the situation. What would happen? If we were at war with a country possessed with a fleet equal to that of England, only twenty-five ships any one of which would be able to attack Fremantle with any chance of success—

Senator DOBSON.—And possibly none of those vessels could be spared.

Senator MATHESON.—Not only is there that possibility; but, on the principles of naval fighting adopted at the present day, those twenty-five ships would undoubtedly be most carefully watched by the vessels of the opposing force, and would never have an opportunity to reach Fremantle. From my point of view, therefore, Fremantle, in the absence of some most unforeseen accident, would practically be immune from attack. When I mention Fremantle, I must be taken as referring to all the ports of Australia; I simply mention the western port, because it happens to be the one dealt with in the Estimates.

Senator DOBSON.—What is the price of the 9·2 gun?

Senator PLAYFORD.—Double the price of the 7·5 gun, and the unfortunate fact is that our fortifications are built for 7·5 guns, and 9·2 guns cannot be mounted there.

Senator MATHESON.—When the Minister of Defence says that the price is just about double he is simply making a guess, because he does not know.

Senator PLAYFORD.—Officers of the Department gave me the information.

Senator MATHESON.—I do not think that it is a breach of confidence to say that the officer whom I saw told me that he really had no accurate information, and had only given an estimate.

Senator PLAYFORD.—The officer never pretended to give anything more.

Senator MATHESON.—I wish to mention another fact by way of illustration. It was only last year that the question of the 18-pounder field guns arose. Those field guns were well known in England in 1903, and in August, 1904, I had occasion to ask the then Minister of Defence what would be the cost of obtaining this gun, as compared with the cost of changing the antique guns already in the Commonwealth, into breech-loading guns. The answer I received as reported in *Hansard* of the 11th August, 1904, was, "No information." That meant that there was absolutely no information in the hands of the Defence Department of a gun which was being largely talked of in England. In July Mr. Balfour had spoken about this gun in the House of Commons, and pictures of it had appeared in the service magazines in 1903; and it seems inconceivable that our Intelligence Department in Australia should know nothing about the weapon. What happened? The then Government went out of office, and the succeeding Government ordered twenty of those guns by cable a little prior to the 16th November. The position then was exactly the position we find now in regard to the 9·2 gun. The latter is well known in Europe, and is being placed on every modern battle-ship launched; and yet our Intelligence Department has not even received from our correspondents in Europe any information regarding it. I saw in the newspaper the other day that the British Government are using the 9·2 gun for the defence of Sierra Leone, and I believe that it has been sent to other Crown Colonies for the defence of the shipping; yet we are told that this weapon is absolutely beyond our means.

Senator PLAYFORD.—The Government do not say that; we only say that the 9·2 gun will cost a great deal more than the other gun.

Senator MATHESON.—I should now like to deal with the question of the site for the fort at Fremantle. These guns are to be mounted on a ridge to the north of the town. I do not understand that there is any lack of room for placing the guns if the Department wish that to be done, because more land can be acquired from the State Government. I myself think that the Minister of Defence is confusing this site with the position at Arthur's Head.

The latter is a little, round knoll, upon which it is just practicable to instal two 6-inch guns. It was for that reason that I withdrew my objection to the installation of 6-inch guns. Turning once more to my argument, which was broken by Senator Dobson's question about price, I may say that I then turned to the French Navy to see what the result would be in that connexion, if there were 9·2 guns at Fremantle. I find that out of the whole French Navy of seventy-four armoured ships, only thirteen could possibly lie 6,000 yards off Fremantle—that is, only thirteen in comparison with the sixty-three which would be available for the bombardment of the shipping of that port if we had only 7·5 guns. I do not wish to be understood to maintain that, if we had 9·2 guns we should be immune from attack. But I do say that if we had those guns, it would be almost impossible for any foreign Power to organize an expedition against us with any chance of success; and, under the circumstances, so far as the capitals of Australia are concerned, we might be considered practically immune from attack. What would happen undoubtedly—and this is a very serious question—is that an expeditionary force would never attempt to attack the forts, but would go to some suitable landing place on the coast, and there disembark troops. The Minister of Defence knows that this is the view held by military experts, and it is that possibility which makes the eighteen-pounder field guns necessary.

Senator HIGGS.—Would an enemy take up the railway line along the coast?

Senator MATHESON.—I can hardly conceive an enemy taking up the railway line, which they would probably use for the purpose of attack.

Senator GIVENS.—And import their own engines and rolling-stock, I suppose?

Senator MATHESON.—An enemy who wished to use the lines would undoubtedly have to do something of that sort. But one can hardly imagine a permanently settled place along the coast where such a landing of troops would be made. I do not think I can with advantage say more on the subject. I have tried to make clear the reasons why I so bitterly resent the purchase of those 7·5 guns without the authority of Parliament. What would be the use of my moving to strike out this item? As has been pointed out, somebody must pay for the guns, and the result is

that honorable senators, who believe that the money will be absolutely wasted, are compelled to pass the vote.

Senator STYLES.—Could a vessel with 9·2 guns lie far enough out of range of 7·5 guns to be able to destroy the battery?

Senator PLAYFORD.—The 7·5 guns shoot as far as the 9·2 guns, but they have not the same penetrative power.

Senator MATHESON.—The 7·5 guns do not shoot quite so far as the 9·2 gun; but it all depends on the elevation. With a higher elevation, a longer range is obtained; but with a flat trajectory—I think that is the right word—the two guns have practically the same range. But at 6,000 yards the penetrative power of the 9·2 gun is 7·8, and that of the 7·5 gun is only 5½ inches. I had forgotten to say that, out of the ninety-seven vessels in the British Navy which could bombard Fremantle if we had only 7·5 guns, there are only six not armed with 9·2 guns. The result is that those vessels would not only be able to bombard the port, but they would be able to silence our 7·5 guns with a shot or two. In fact, our guns would have no chance against the guns on the men-of-war. Then, again, the best effective shooting cannot be obtained from guns in forts, which, like that at Fremantle, are only 50 feet or 60 feet high. We must bear in mind, however, that the ships against which the guns would have to fire would be on the water, so that, whatever drawback there might be from want of elevation in the forts, the ships would be at a greater disadvantage.

Senator O'KEEFE (Tasmania).—There are two or three items to which I should like to direct attention. Under the Department of Defence there is an item of £181,060 for special defence material, less an amount which it is anticipated will not be expended during the year of £41,000, leaving the amount to be expended at £140,000. I take it that this vote will cover the expenditure necessary for providing a number of new rifles. I ask the Minister of Defence, when replying, to give some information on the point. I should like to know if it is the intention of the Government, when purchasing new rifles, to be absolutely assured that the rifles purchased shall be of the most effective pattern, and of proved superiority. It occurs to me that there ought to be a good opportunity now to find out what were the most effective rifles used in the late war between Japan and Russia. I

have noticed that a number of people who profess to have a knowledge of the inner workings of the Defence Department of Australia, have stated that a large number of the rifles now in the possession of the Defence Force are almost useless, and belong to the category of discarded weapons.

Senator PLAYFORD.—Certainly not. The Lee-Enfield magazine rifles are the most up-to-date rifles.

Senator O'KEEFE.—Are all the rifles which successive Federal Governments have been purchasing Lee-Enfield magazine rifles?

Senator PLAYFORD.—Yes.

Senator O'KEEFE.—Has the Minister of Defence any knowledge as to whether a new and superior rifle is not likely to be introduced to supersede the Lee-Enfield, as the results of a number of tests that have been made within the last year?

Senator PLAYFORD.—No; so far as we know, the Lee-Enfield magazine rifle is the most up-to-date rifle.

Senator O'KEEFE.—The Minister will acknowledge that the matter to which I refer is one of the greatest importance. I have seen some controversy on the point, which would lead one to believe that there is a great deal of doubt as to whether the rifles most recently imported into Australia are of the most effective kind. It is to be hoped that the Government will not purchase weapons which may, in a very little time, have to be discarded in favour of a more improved type. I notice in the Estimates a number of votes for drill halls, and I direct attention to an item of £1,000 for a drill hall at Newcastle, to which a note is attached that the estimated cost of the hall is £2,000. It seems to me that that is a very large expenditure for a drill hall. There is another item of £800 for a drill hall at Boulder City, Western Australia, and an item of £400 for a gun shed and drill room at Launceston, Tasmania. There seems to me to be a somewhat serious discrepancy in these items. It may be satisfactorily explained. It may be that a very much larger drill hall is required at Newcastle than at Boulder City or at Launceston, but I find it difficult to understand how any hall used solely for purposes of drill should cost £2,000, unless it is provided with a number of unnecessary embellishments. My view that a drill hall might be built for very much less than £2,000 is con-

firmed by the fact disclosed in these Estimates that a room to be used in Launceston for the joint purposes of a gun shed and drill room is estimated to cost only £400. I direct attention to the disparity which is apparent between the amounts proposed to be expended in the different States. In Tasmania the expenditure proposed under the Defence Department is £3,196. Of this amount £1,652 is to be re-voted, leaving only £1,544 for "new" expenditure. I should like here to refer the Minister of Defence to a statement made in the Tasmanian Parliament by the Premier of that State to the effect that while Tasmania is about ten times worse off under Federation than she was before, her defences are costing about three times as much as they did prior to Federation.

Senator PLAYFORD.—Of course the statement is untrue.

Senator O'KEEFE.—Do I understand the Minister to say that the statement is untrue.

Senator PLAYFORD.—Undoubtedly.

Senator O'KEEFE.—It is just as well that that should be placed on record.

Senator PLAYFORD.—It has been placed on record in another place.

Senator O'KEEFE.—The Minister of Defence, representing the Government in the Senate, says that the statement is untrue. I believe that it is absolutely untrue, and I am sorry to think that the Premier of the State I have the honour to represent here should have made such a statement. I am sorry also that the Treasurer of Tasmania, in his recent Budget speech, should have made statements reflecting on the intelligence and capacity which the members of the Federal Parliament have shown for the work they have to do. It is just as well that we should have the plain unqualified announcement of the representative of the Government in the Senate that the statement of the Premier of Tasmania, to which I have referred is untrue, because it is natural that a large number of the people of Tasmania should believe that there is a certain amount of truth in any statement made by a gentleman occupying so important a position as that of Premier of the State.

Senator DE LARGIE.—Who is the Premier of Tasmania?

Senator O'KEEFE.—Mr. Evans.

Senator WALKER.—Have not Tasmanian farmers benefited greatly by Federation?

Senator O'KEEFE.—It is not necessary that I should go into that question now. Some notice might be taken of the important difference between the amount now returned to Tasmania from Customs and Excise revenue, and the amount which the State received from that source of revenue prior to Federation.

Senator PEARCE.—The difference is largely due to Inter-State free-trade.

Senator O'KEEFE.—No doubt it is. In spite of the fact that some of the statements made by the Premier of Tasmania are untrue, in common with all the representatives of that State in this Parliament, I am aware that there is a considerable under-current of dissatisfaction in the State as to the results of Federation generally. There is still greater dissatisfaction as to what has been done in connexion with the Defence matters, and with the existing condition of the military force in that State. According to the statement made by the Prime Minister the other day, and according to the Estimates, Tasmania is to be debited with a considerably larger amount for defence than she paid prior to Federation, while, at the same time, she will not benefit very largely by expenditure on new works in this Department. I have given the figures, which show that £1,544 is to be voted for new expenditure, and £1,652 re-voted, making a total of £3,196 for that State, as against a total of £25,223 in Western Australia, and £38,000 in South Australia.

Senator PEARCE.—The amount for South Australia is £4,985.

Senator O'KEEFE.—I am obliged to the honorable senator for the correction. I looked rather hurriedly at the column. I find that there is very little discrepancy between the amounts set down for South Australia and Tasmania. I do not take exception to the comparatively large amount proposed to be expended in Western Australia, if the officers of the Defence Force consider that it is absolutely necessary that this money should be expended for the proper purposes of the defence of the Commonwealth generally. While I am willing to accept the official Estimates of Expenditure in each of the States, I direct attention to a much more serious question, in connexion with expenditure on works and buildings, whether in the Defence Department, the Customs Department, or the Post and Telegraph

Department. It seems to me that it is unfair that "new" expenditure in the whole of the Commonwealth should be distributed on a population basis until we have a common purse. I cannot see that the system is fair under which, while granting to each State the Customs and Excise revenue collected in that State, we call upon the people in each State to contribute a *per capita* proportion of the "new" expenditure for the whole of the Commonwealth. I agree that it is not Federal to have the bookkeeping system, but while we do, it is not fair, I consider, to have that system for revenue and a Federal system for expenditure. I understand that this innovation was made last year when the Estimates were submitted. I do not remember the exact words of the Treasurer, but what he said was to the effect that it was considered necessary under the Constitution to distribute all new expenditure *per capita* over the whole Commonwealth, and that the previous system of charging new works according to the bookkeeping system had been unconstitutional. Probably we shall get some information on that point from the Minister of Defence when he is replying. I am quite sure that my colleagues will agree with me that Tasmania has suffered, and will suffer under the new system. Some States may suffer for a time, and derive an exceptional benefit at another time.

Senator PEARCE.—Tasmania will not suffer under this Bill.

Senator O'KEEFE.—If the honorable senator takes the Estimates altogether he will find that Tasmania will be a sufferer.

Senator PEARCE.—I have taken the items in this Bill, and find that it is not so.

Senator O'KEEFE.—Whether Tasmania or any other State suffers now and benefits at a future time, or *vice versa*, is only a small matter. The serious point is that it is absolutely unfair that while we maintain the bookkeeping system the expenditure on new buildings should be distributed over the whole of Australia, and at the same time only the Customs and Excise revenue drawn from each State should be used therein. The situation may, however, have one redeeming feature. The system which was adopted last year, and is to be continued, may hasten the time when the bookkeeping system will be abolished. I think that all new expenditure and all revenue should be treated on a *per capita* basis. I hope that when we come to the end of the bookkeeping period the system will not be

renewed, and that all the revenue collected by the Commonwealth will be distributed on a *per capita* basis, thereby getting rid of a hybrid kind of Federation, which charges the whole of the people for a very costly work in a particular State, and at the same time—

The PRESIDENT.—Does the honorable senator think that the question he is discussing is relevant to the subject-matter of the Bill?

Senator O'KEEFE.—I certainly do, sir.

The PRESIDENT. — The honorable senator is now turning from the expenditure provided for in the Bill to some other proposed expenditure, and discussing the general question of bookkeeping.

Senator O'KEEFE.—It is difficult, sir, for me to give the reasons for my exception to certain items in this Bill without discussing the question of the bookkeeping system.

The PRESIDENT.—The honorable senator can discuss that question so far as it relates to this Bill.

Senator O'KEEFE.—I had no intention, sir, to go outside the scope of the Bill, and if I have transgressed, of course I bow to your ruling. In the Estimates we may find a very large sum proposed to be expended in a particular State during the financial year. We are not going to take exception to a proposed expenditure if it is necessary. Perhaps, in the case of the Defence Department, the system of distributing new expenditure on a *per capita* basis is less objectionable and more reasonable, and, possibly, can be defended with greater force than in the case of other Departments. If no objection can be taken in the case of that Department very grave objection can be taken in the case of other Departments, such as the Trade and Customs and Post and Telegraph Departments. A very large sum—I think the total amount is £35,000—is proposed to be expended upon some additions to the Melbourne General Post Office. The people in other portions of the Commonwealth who think, whether correctly or incorrectly, that they will not receive any benefit from that expenditure, either directly or indirectly, are likely to ask "Why should we be called upon to contribute our quota to the expenditure while the bookkeeping system remains in force?" True federalists, who have gone into this matter, think, as I do, that not until we have substituted for that sys-

tem a common purse should the expenditure be distributed on a *per capita* basis.

Senator STEWART.—Tasmania has gained by it.

Senator O'KEEFE.—In that case I cannot be accused of taking a parochial view. I dislike the principle of the system, because it does not exhibit the true Federal spirit. Until we have a common purse for revenue we should not have a common pocket for expenditure; one thing should go hand in hand with the other. There is only one other matter to which I wish to call attention. If the figures of Senator Matheson, and the official estimate of the revenue to be earned by the through telephone line between Melbourne and Sydney, are correct, they certainly give us cause to ask whether it is wise to pass the item. He said that it would require thirty-two conversations on every day except Sunday at a cost of 6s. 6d. per conversation, to pay 5 per cent. interest on the cost of construction and maintenance. I agree with him that it is very unlikely that thirty-two conversations per day will take place at that cost. I can hardly conceive the possibility of the line earning sufficient revenue to pay the cost of maintenance and 5 per cent. on the outlay. I know that a number of business men in Melbourne and Sydney believe in the correctness of the official estimate. But there is one phase of the subject which ought to be considered. It is a certainty that if a new kind of telephone business be developed by the erection of the through line there will be a large loss of revenue to the telegraph line between the two points.

Senator DOBSON.—The estimate allows for a loss of about £1,900.

Senator O'KEEFE.—Is it represented that, notwithstanding that allowance, the through telephone line would earn 5 per cent. interest on the outlay?

Senator DOBSON.—Yes.

Senator O'KEEFE.—I am not satisfied that it would, and I feel very doubtful about voting for the item. But for the fact that some Ministers reside in New South Wales and others in Victoria, and find it necessary at times to communicate with each other, this proposal might not have been submitted. The weakness of the proposal is the possibility that a large proportion of the working time would be occupied by Ministers conversing with each other.

Senator TURLEY.—The time should be recorded.

Senator O'KEEFE.—Of course a record would be kept. I do not suppose for a moment that Ministers would talk to each other for the mere pleasure of conversing, or to bid each other good-morning, and so on. If these conversations did take place they would be considered by Ministers to be of sufficient importance to justify the use of the telephone line. But still it is quite possible that the communication might be made with equal effectiveness and sufficient despatch in the ordinary way, either by telegraph or by post. It is not a very strong argument in favour of communication being established by telephone to say that Ministers might want to converse with each other when some of them were in Sydney and others in Melbourne. That argument has, I know, been held in some quarters to be a good one.

Senator MATHESON.—They would simply live in Sydney, instead of being in their offices.

Senator O'KEEFE.—I think so.

Senator TURLEY.—The time taken up by Ministers would be recorded.

Senator O'KEEFE.—If Ministers and heads of Departments had been established in the Federal Capital this proposal would not have been submitted. If, however, the Minister of Defence in his reply can show that the line would pay 5 per cent. interest on the outlay I should feel very diffident about opposing the item. But I am not satisfied that a good case has been made out. No demand has been made by the public for this telephone. Have any representations whatever been made to the Department concerning it?

Senator MATHESON.—Will anybody give a guarantee?

Senator O'KEEFE.—If the proposal were the outcome of representations made by business people it might be wise to authorize it. Prior to Federation a guarantee always had to be given whenever a request was made for the construction of a telephone for the convenience of one of the smaller towns. I know of an important mining town in Tasmania as to which there was not the slightest doubt that a telephone service would pay, but it took a long time to convince the Post and Telegraph Department to establish a service, and satisfactory guarantees had to be given. It is not unreasonable that the taxpayers should ask

that a guarantee should be forthcoming in this case.

Senator PULSFORD.—It is quite impossible. No one can say who will use the telephone.

Senator O'KEEFE.—That is a strong argument against its construction. Senator Pulsford is acknowledged by honorable senators to have a close insight into the trade relations of our principal cities, and his opinion on commercial matters is always listened to with considerable attention. He says that no one can say who will use the telephone. If nobody knows who is going to use it, we certainly do not know how much money it is likely to earn, and the estimate cannot be based on sound reasons.

Senator PULSFORD.—Is it not an advance on lines of scientific development?

Senator O'KEEFE.—But we might advance in other directions than this. I hope that the Minister, in his reply, will make it quite clear that the line will pay an interest of 5 per cent. on the cost of construction. If he does not, there will be an opportunity to vote against it.

Senator DOBSON (Tasmania).—I think it must be admitted that the defence of the Commonwealth is the most difficult problem with which the Federal Parliament has yet had to deal. It cannot be claimed that we have dealt with it either intelligently or effectively. There appears to be no unanimous opinion in Parliament as to how we should proceed. Some members desire to see an Australian Navy established—about the most costly scheme we could possibly enter upon. About three years ago some members were instrumental in cutting down the Defence Estimates without inquiring how they could safely be reduced. That was a bad start. Others think that if we cannot have an Australian Navy, we should at all events try to defend our ports by floating batteries, gun boats, and shore batteries. There are others—and I belong to this category—who think that we ought to depend upon the Imperial Navy, and at the same time see to it that a number of our boys are trained as efficient sailors. Above all things, I think we ought to have a national army, and that every citizen should be a soldier, and every soldier a citizen. Although I am not going to anticipate discussion on a motion about universal service, of which I have given notice, I should like to read a passage from a pamphlet written by Lt.-Col. Gerald Campbell, of

Sydney, on the Swiss military system. It was on the strength of this pamphlet that the New South Wales people recently formed a Defence League. Lt.-Col. Campbell says—

The actual strength of the Swiss Military Forces in "effectives" for an annual expenditure of about £1,120,000 was, on the 1st January, 1904, 530,819. . . . The active army is entirely on a war establishment basis, though the whole of the troops are not actually in yearly training. Our present Military Forces, on the other hand, do not amount to more than about 20,000 at full peace establishment—the actual strength being about 20,000 (much less than authorized)—and cost about £560,000.

Senator PLAYFORD.—How many people are there in Switzerland?

Senator DOBSON.—About 3,500,000—a smaller population that we have here in Australia—

In time of war the Swiss army would be able to take the field at once. In our case, we should have to draft in large numbers—more or less (chiefly more) untrained—to bring up the establishment to a war basis, before our army could properly take the field. In this matter we suffer considerably in the comparison.

An army of 530,000 men all more or less trained and fit for war at any moment for a cost of £1,120,000 affords an object lesson which I recommend to the Minister of Defence. It appears to me that we shall have to begin over again, and inaugurate an entirely new system.

Senator PLAYFORD.—The Swiss are practically unpaid forces.

Senator DOBSON.—I do not care about that. I am in favour of a national army in which the citizens of the Commonwealth shall be made to do their duty.

The PRESIDENT.—Is the honorable and learned senator discussing this Bill?

Senator DOBSON.—I am simply answering an interjection by the Minister.

The PRESIDENT. The honorable senator is anticipating discussion on a motion of which he has given notice.

Senator DOBSON.—I hope the time will come when we shall show some patriotism that will lead us to have an effective army.

The PRESIDENT.—I must ask the honorable senator not to anticipate discussion on his own motion.

Senator DOBSON.—I do not think I am doing so.

Senator O'KEEFE.—If compulsory service means conscription, let us have it.

Senator DOBSON.—That is a remark to which I must reply.

The PRESIDENT.—The honorable senator must not anticipate discussion on another motion.

Senator DOBSON.—But, sir, you allowed Senator O'Keefe to interject.

The PRESIDENT.—The honorable senator need not notice the interjection.

Senator DOBSON.—I do not want conscription. The Swiss people have no conscription. I should like to ask Senator Playford how it is that he has allowed himself to father the items, £32,500 for accoutrements, £10,250 for saddle-trees, stirrups, and bits, and £22,500 for making saddles?

Senator PLAYFORD.—I have not fathered them. I did not see the wretched things until the Estimates were brought forward elsewhere.

Senator DOBSON.—This seems to me to be playing with a very important subject. I have already described my honorable friend as belonging to a "No responsibility Government," but it is idle for him to say that he has no responsibility for anything. When we get into Committee I shall move that those items be omitted. When we have not sufficient ammunition, and are deficient in guns and rifles, we should not be asked to vote large sums for great coats and saddles. The military officers who prepared these estimates ought to be asked to reconsider them, and to give us a scheme in accordance with our needs and conditions. I am inclined to think that Major-General Hutton gave us good advice when he pointed out that there are a number of places in the Commonwealth which it is not necessary to defend, and that we should first of all look after the defence of Sydney, because it is a naval base. I have always thought that as soon as we attempted to defend our ports by floating batteries and shore batteries, we should land ourselves in enormous expense. So fast do improvements in armaments take place, that if we were to purchase the most magnificent floating batteries and shore batteries, and the best gunboats, armed with the latest weapons that money could provide, in five or six years our weapons would be outranged, and the whole of our expenditure rendered useless. I should not like to say that all our ports should go undefended, but I am at a loss to know how we can defend them, except on the seas by means of one great navv. With regard to the Melbourne and Sydney telephone line, I think my honorable friend should give us more details about the scheme, and as

to whether it will pay. It seems probable that the line will lead to a large increase of business, and that in a very short time it can be made to pay. Some honorable senators have inquired whether more than two persons could speak at once over a long-distance telephone line between Melbourne and Sydney. I have just had an opportunity to speak to an electrical engineer, who informs me that he does not think that that could be done; and, therefore, I take it that Senator Matheson's estimate is substantially correct. The electrical engineer also informed me that he does not think that at intermediate places the line could be used, if it were engaged between Melbourne and Sydney. It is for that reason the charges over long-distance telephone lines are always so heavy. Between Chicago and New York, a distance of over 1,000 miles, the price is five dollars, and between London and Paris it is 8s.—in each case for a three minutes' conversation. I had intended to say something about the altered arrangement in charging public works *per capita*, instead of to the individual States, but, as this is a short afternoon, I shall find a more fitting time to express my opinion. I desire to ask the Minister, in regard to the desired change of the rifle range at Hobart, whether he will, if necessary, instruct an officer, at present stationed there, to inspect certain sites, in company with representatives of the local authorities, so that the latter may have the benefit of military advice. I take it that if two or more suitable sites are found, the Minister will then send an officer from head-quarters without delay to make an inspection.

Senator STYLES (Victoria).—I desire to support Senator Matheson's proposal to obtain heavier guns for the defence of Fremantle and other ports in the Commonwealth. Indeed, I would go further and advocate our securing the most powerful guns that can be bought. The difference in the expense of mounting would be very small as between the two classes of guns, while we should have a much more effective defence. I do not see why we should not purchase 12-inch guns, because, to me, as a layman, the object would appear to be to keep battle-ships at a safe distance from our cities and shipping. According to Senator Matheson, the 7.5 gun is ineffective on an ordinary cruiser at any distance over 6,000 yards; but if we had 9.2 guns, or 12-inch guns, no war vessels of the smaller

classes could get near enough to do any damage, and it is more than likely that the larger vessels could not be spared for such work. It has been shown that if we possessed 9.2 guns only a small percentage of any foreign navy could approach near enough to do any harm; and the object should be to keep even those vessels at a distance. As a layman, I can hardly understand Sir Edward Hutton's argument that the bigger the guns the more likely an enemy is to send big war-ships to attack us. In my opinion, Senator Matheson has knocked the bottom out of that argument by showing that very few battle-ships could be spared by an enemy in case of a naval war between the United Kingdom and a foreign Power. It is a waste of money to buy big guns which are not of sufficient calibre to deal with any enemy that may possibly attack us. Senator Matheson could have pointed out that an enemy, with a vessel heavily armed with 9.2 guns, might, at a distance of 7,000 or 8,000 yards, silence the fort, and then come in and take away the shipping. The result would be the same to us as though the shipping had been destroyed, but the capture of sound vessels would be of great advantage to an enemy. I hope the Government will reconsider this matter, and take care to procure guns which will be a match for any possible enemy. I am sure we all feel indebted, as I do personally, to Senator Matheson for having gone so fully into a question about which laymen, as a rule, know so very little. The honorable senator may be ridiculed by some, because, in their opinion, he poses as an expert. I do not think Senator Matheson does so pose, but, whether he does or not, I pay a great deal of attention to what he says, because he has devoted a good deal of time to the question of defence. Experts are not always right, and there may be influences at work to prevent them recommending what they think would be the best kind of artillery for the defence of our ports and capitals. Do I understand that the 7.5 guns have been ordered?

Senator PLAYFORD.—The guns have been ordered.

Senator STYLES.—Then I should like to see the order countermanded, with a view to procuring heavier guns, even up to a 12-inch calibre. While a member of this Chamber, I shall at any time be prepared to spend a good, stiff sum with that object.



Senator FINDLEY.—I thought the honorable senator was a man of peace?

Senator STYLES.—So I am; and if our batteries were armed with guns with which an enemy knew he could not cope, there could be no greater security for peace. If our batteries are armed with guns which are ineffective at 6,000 yards, all that an enemy will have to do to make a successful attack will be to select a battle-ship armed with weapons effective at 8,000 yards.

Senator PEARCE (Western Australia).—The Senate owes a debt of gratitude to Senator Matheson for what I regard as the most effective and practical speech ever delivered in this Chamber on the question of defence. I am glad that honorable senators recognise that Senator Matheson was not dealing with the particular fortification at Fremantle, except as an object lesson which may be applied to all the other ports of the Commonwealth. The honorable senator has made out so strong a case that, unless the Government can answer his arguments, they ought to countermand the order for the 7½ guns. Senator Dobson, who has suddenly left the Chamber—a not infrequent occurrence after he has criticised members of the Labour Party—referred to the reduction in the military vote which was made at the instance of that party, and in the course of his remarks used, as an illustration, the small military expenditure, in proportion to the service rendered, in Switzerland. Senator Matheson has placed his finger on the weakness which in the past has caused very heavy expenditure for very little return. In Switzerland, for an expenditure of a little over £1,000,000, an army of 500,000 men can be placed in the field, whereas in the Commonwealth, with an expenditure of close on £1,000,000, the strength of our forces on a peace-footing is a little over 20,000 men. It is all very well for honorable senators to point to those facts, but the man who does a real service, is he who points out the way in which we spend the money for which we get no adequate return in efficient defence. The order for these guns was given in April last. Is it not possible to countermand the order, and substitute one for guns of a heavier calibre? If, as Senator Matheson pointed out, these guns are not efficient for the defence of our ports, it would be far better to let the matter rest until we are in a position to buy heavier weapons. If

Senator Matheson's contentions are correct, it is not a mere question of difference in cost, but a question of absolutely wasting the money on 7½ guns. The position seems to be so serious, that I do not think the Senate will pass this item, until Senator Matheson's arguments are refuted, or there is some proposal to cancel the order. We are asked by this Bill to vote a sum of £140,000 for military material; and of course any criticism of that proposal must be of a technical character. We have in this Chamber the Minister of Defence, but, so far as I know, there is no military expert here to give us any information of a technical or expert character. When the Estimates for other Departments are before us, it is customary to have officials from each Department to advise the Minister in charge, and the question raised to-day by Senator Matheson shows the necessity for a similar arrangement in regard to the Defence Department. We pay the salaries of those military advisers, and surely the Parliament which is called upon to vote this money for military material, should have the advantage of expert assistance, so that honorable senators may be informed at short notice on technical points. I understand that so far as the works and buildings are concerned, there is an official present to advise, but, as I say, there is no one here to whom we can appeal on technical points in purely military matters. Senator Dobson, in a veiled reference, charges the Labour Party with cutting down the Military Estimates which were submitted to the first Federal Parliament. But the position in military matters, though it has improved since, was then very bad. We were voting upwards of £1,000,000 for an army without arms or accoutrements, and the Labour Party took up the position that it was useless to expend such a vast sum on a force which consisted mostly of braid, gilt, and parade. At the same time, the Labour Party showed their sincerity by voting the whole sum asked for to provide the forces with arms. The honorable senator who made that charge, knowing, as he did, that we voted that sum for armament without hesitation, might have done us the justice of acknowledging that, whilst we saved some hundreds of thousands of pounds, in the first years of Federation, there were no members of Parliament more ready to vote the money required for armament than the members of the party

who had taken action to cut down useless military expenditure when it was proposed. I am satisfied that I have the support of my electors, when I promise that I will vote for any reasonable expenditure on armament, ammunition, and accoutrements recommended by our military advisers. Ministers are aware that members of both Houses of this Parliament are willing to vote whatever may be shown to be necessary for defence. But we require some guarantee that the money we are asked to expend will be of real service to the Commonwealth. On this point, the Minister of Defence has made a most alarming statement. He has said that new rifles are urgently required. So serious is the position, from the honorable gentleman's point of view, that he proposes, later on, practically to amend the schedule to this Bill to enable him to divert sums of money proposed to be voted to less urgent purposes, to the purchase of rifles. Surely the whole difficulty might be overcome in a very simple manner? I take it that the Senate is prepared to accept from the Minister a statement as to what is urgently required, and what is not. If the Minister tells honorable senators that the sum of £32,500, proposed to be voted for accoutrements, will not all be required for that purpose, what could be more simple than to insert in the item the words "and rifles"? We should then give the Minister of Defence discretion to spend so much of that amount as he deemed advisable on the purchase of new rifles. That would throw upon the Minister the onus of proving his capacity as an administrator of the Department of Defence, and it would be better to do that than to give the honorable gentleman power to wander indefinitely over the whole of the votes in the schedule, to alter votes as he might see fit, and then to come to Parliament with a statement which we should be asked to indorse. I am personally prepared to give the Minister a blank cheque, and let him fill it in for any amount which he is able to say he is advised by the Department will be necessary for the purchase of armament and ammunition. A matter to which I think some attention should be given is the proposal to mount 8-inch guns on the *Cerberus*. My information is that the engines of this boat are almost useless, and the vessel is practically nothing more than a floating battery.

Senator STYLES.—That is what she was designed for.

*Senator Pearce.*

Senator MATHESON.—The guns are not to be put on the boat, and I cannot understand why the vote appears in these Estimates.

Senator PEARCE.—I should like to have some assurance from the Minister of Defence on that point.

Senator PLAYFORD.—I have said that the guns are not to be placed on the *Cerberus*.

Senator PEARCE.—Then for what reason is this item included in the schedule?

Senator PLAYFORD.—The other branch of the Legislature did not strike out the item, as honorable members knew we could save the money.

Senator PEARCE.—I think that it is most unfortunate that we should be practically misleading the people of the Commonwealth. We are stewards appointed to provide for their defence, and we tell them that we propose to spend £140,000 on armament. We tell them, also, that we propose to spend £2,000 in mounting 8-inch guns on the *Cerberus*, when we know that it is not our intention to do so.

Senator PULSFORD.—That amount is presumably a part of the £41,000 which we are told is to be deducted.

Senator PEARCE.—It may be, but there are many other votes included in the schedule which the Minister has intimated it is not the intention of the Government to expend for the purpose for which they are set down.

Senator PULSFORD.—It is a very absurd arrangement.

Senator PEARCE.—I think it is. Every item included in the schedule to this Bill should mean business. If any of these votes are not needed they should not appear in the schedule. If this sum of £2,000 is to be devoted to the purchase of rifles, why are we not asked to vote it for that purpose? I remind honorable senators that if we pass the Bill in its present form the Minister of Defence will not be authorized to purchase rifles, which it is admitted we need, whilst he will be authorized to mount 8-inch guns on the *Cerberus*, which we do not need. I should be glad if the honorable gentleman could see his way to delay the measure until he is in a position to ask the Senate to vote money which he does need. It is not a matter of great urgency.

Senator PLAYFORD.—We desire to get on with these works. People in all the States are clamouring for work.

Senator MILLEN.—The honorable gentleman is asking for money which the Government do not intend to spend.

Senator PLAYFORD.—We are also asking for money which we do intend to spend.

Senator PEARCE.—A delay of a day or two in the passing of the measure will not have been in vain if in the meantime the Minister is enabled to ask for money which is really needed. I presume that the Council of Defence has met on several occasions, and has considered these matters.

Senator PLAYFORD.—It has not met since I called it together and laid my statement before it.

Senator PEARCE.—We have been paying an Intelligence Department and a staff of officers for the last four years, and they should surely be able to tell the Minister of Defence what sum of money is required for the purchase of rifles. They should also be able to say how much of the amount proposed to be voted for accoutrements, saddle-trees, saddles, and so on, might be safely diverted to that purpose. I think the Minister would do well to allow the Bill to stand over until next week, and in the meantime place himself in a position to submit a definite proposition. I am prepared to vote for all the items which the Minister, on advice, declares to be necessary, and even more than is asked for in this Bill. I recognise the urgency and necessity of being prepared for war, but preparedness does not consist in paying salaries to military officers to drill men unless we have rifles with which to arm them.

Senator PLAYFORD.—We have sufficient rifles to arm all the men we have.

Senator MILLEN.—It does not consist in voting money which we do not intend to spend.

Senator PEARCE.—Certainly it does not. I feel very strongly on this question, and Senator Matheson has increased my interest in it. I am afraid that the Minister will find some difficulty in getting some of the items in this Bill passed unless he can put up a better defence against Senator Matheson's attack than seems possible at the present time. Senator O'Keefe found fault with the distribution of this expenditure on a *per capita* basis. If the question of the distribution of expenditure is to be dealt with at all, it should be as a principle by itself, and not in connexion with the expenditure under

a particular Department. Senator O'Keefe seemed to be of the opinion that, defence being an Australian matter, a *per capita* distribution of expenditure in this Department could be justified, although almost the whole of the expenditure proposed in any particular year might be for works in one State. The honorable senator is unable to find the same justification for charging expenditure in the Post and Telegraph Department on a *per capita* basis. That is incomprehensible to me, because in my opinion the Post and Telegraph service is as much a national service as is Defence. The expenditure proposed in this Bill in Western Australia is very much in excess of what that State's share of the total expenditure would be if it were distributed on a *per capita* basis, but we must take into account the stage of development reached in each State; and I remind honorable senators that had Western Australia reached the same stage of development as the other States, there can be no doubt that the new works proposed under the Post and Telegraph Department, and a large number of additional works which have been refused by the Federal Government, would have been constructed by the State Government. The position would then have been that the Commonwealth, taking over the Post and Telegraph service, would have had to pay for those works as transferred properties, whereas under the present circumstances these works will have to be paid for only as new works. It is unreasonable to contend that States having reached a certain stage of development must mark time in the construction of works and buildings urgently needed, because one or more of the other States have reached a further stage of development. That is an argument which I think will not find support in the Senate. As regards the telephone service proposed between Sydney and Melbourne, I do not think that we can accurately forecast the revenue to be derived from it. It is a peculiar feature of post, telegraph and telephone services that, wherever new conveniences are given, the forecast of revenue is in nearly every case exceeded. It used to be urged against the lowering of the postage that it would result in tremendous loss; and it was also urged against the lowering of the cost of telegrams that it would result in loss. As a matter of fact, the reduction in the cost of telegrams has led to such an increase of business that,

if there has been any loss of revenue at all, it has been infinitesimal. I am therefore glad to find this new convenience provided for, because I believe the line will be found to attract enough new business to make it payable. I understand that we have the assurance of the departmental officers that, on the figures before them, the line will pay handsomely, because it will lead to an increase in a class of business which is not accommodated by either the mail or telegraph services. For these reasons I have no objection to this particular item.

Senator MILLEN (New South Wales).— I should like to say a word or two primarily with the object of indorsing the suggestion made by Senator Pearce, that the Minister should consent to a little delay in this matter, not merely in the interests of the Senate, but to enable him to obtain certain information which he candidly admits he is not at present in possession of. These Estimates come before us as a proposition that we should sanction the expenditure of a certain amount of money. For what purpose? Surely, if we have any regard for business principles, we require to know how the money is to be expended! The Minister makes no secret of the fact that he is asking for a sum which he does not intend to spend this year. That seems to me a most extraordinary state of affairs. Why does he submit any Estimates at all if he is to proceed in this way? Why does he not come down and say, "I may require a quarter of a million, but I am asking you to vote me a million, as it will come in handy as petty cash at the Treasury." If our consideration of the Estimates is to be anything more than a farce, we ought not to be asked to proceed in this way. I draw particular attention to the point, because, rightly or wrongly, I fear that the Senate is losing that proper control which it ought to have over the national expenditure. If it were a single instance I should not perhaps have risen to object, but honorable senators cannot shut their eyes to the fact that from the time the Federation was launched, the Senate has never been placed in a position to exercise an effective control over the finances. I shall now go further, and say that, although the Constitution differentiates in the powers of the Houses in regard to Money Bills, if there is one question which more than any other should

appeal to the Senate, as the particular representative of the States, it is that of finance. And whilst the Constitution limits, perhaps, the methods by which we may deal with financial questions, our power is none the less recognised and clear. We have absolute power if we care to exercise it. I would impress upon every honorable member who may occupy Ministerial office that this continual slighting of the Senate—unintentionally it may be—is likely to bring about a position which neither the Senate wishes to take up, nor the Government would care to see adopted. It is quite evident that the Senate must do one of two things. Either it must fall back into the position of an ordinary Legislative Council and merely register the financial proposals of the other House, or, unless the Government methods are altered, put down its foot, and refuse to pass financial Bills sent up in this way. I am sure that the Government does not wish to force the Senate into a position of that kind. I believe I echo the opinion of every honorable senator when I say that the Senate has no desire to hamper the transaction of public business by administering a drastic check of that sort. But what are we to do if time after time the Government bring forward its financial proposals in the loose way in which they have been submitted to us? It is clear that sooner or later we must make up our minds to refuse to proceed with business, unless it be presented to us properly. For that reason I would ask the Minister whether in view of the hour we have now reached, and the impossibility of dealing with the measure to-day in Committee, it would not be as well for him to allow its consideration to stand over until next meeting-day, when he could produce the information which admittedly he has not at his command now, and even take into serious consideration the question of whether or not the proposed appropriations ought not to be reduced to the actual amounts required for the public service. As a further reason for the wisdom of the delay I suggest, honorable senators must have recognised that Senator Matheson has offered some criticisms which ought to be answered before we vote a single penny. These criticisms may, or may not, be well founded, but at present they remain unanswered. They have created in my mind very serious doubts as to the correctness of certain items in the Bill, and so far

the Minister has not given any satisfactory explanation.

Senator PLAYFORD. — I have not had an opportunity to speak yet.

Senator MILLEN.—No; but the Minister anticipated the objections in very many particulars by his candid admission that he had not the information at his command, and, on one occasion, by an attempt to defend himself behind the very weak plea that another Ministry had approved these Estimates. That, however, is no justification for our adopting them.

Senator PLAYFORD. — If an honorable senator tries to make me personally responsible, I have a perfect right to say that I am not. I only used the remark in that connexion.

Senator MILLEN.—I have made no such attempt. I am acting solely in the interest of the good conduct of business, and with a regard to the preservation of the rights of the Senate, not with a desire to hamper the Minister. These matters justify us in asking the honorable gentleman for that information which at present he does not possess. The question of the distribution of the expenditure on a *per capita* as against a State basis is to some extent brought under review by the Bill. While I do not propose at the present time either to express an opinion or to take any action with regard to it, I trust it will not be assumed that, because honorable senators like myself do not take any action to-day, we necessarily indorse that system, or place ourselves out of court if at a future time we should desire to raise the whole question in a more convenient way than can be done to-day. With regard to the erection of a through telephone between Melbourne and Sydney, one of the obligations which rest upon the Commonwealth, which has a monopoly, is to see that the reasonable requirements of the public are met. The sound business character of this proposal may be easily shown. If the Government were not prepared to erect the line, and would intimate that they would allow a private company to do so, within a fortnight I could form a company for that purpose; and, what is more, I could get very many shareholders in the Chamber.

Senator WALKER. — Especially if the honorable senator could make them a present of shares.

Senator MILLEN.—The very fact that I had an option of that kind would show what a good thing it was.

Senator MATHESON.—Then there can be no difficulty about getting a guarantee.

Senator MILLEN.—Yes, there is, because the benefits of the line would be spread over such a wide area. The Commonwealth has no right, merely by creating a monopoly, to prevent reasonable facilities being given to the business of any particular section of the people under its control.

Senator MATHESON. — Why do the Government always ask for a guarantee?

Senator MILLEN.—I am not defending the action of the Government in that regard. If this is a sufficiently good business matter for a private company to take up, it ought to be good enough for the Government of the Commonwealth to take up. I apply, if I may use the term, the touchstone of business to the proposal. Would the business likely to result from the erection of the line justify the proposed expenditure? If it would, then the work ought to be carried out by the Commonwealth, and that it would is shown by the fact, which any commercial man in Sydney or Melbourne will attest, that private enterprise is ready to undertake it. That is the best guarantee that the Government are adopting sound commercial principles.

Senator O'KEEFE.—Does the honorable senator think it is quite fair that the profits, if any, should be divided between Victoria and New South Wales, and that the losses, if any, should be shared by all the States?

Senator MILLEN.—The honorable senator is raising the very question on which I said I did not propose to express an opinion to-day, and that is whether these so-called new services should be charged at this stage on a *per capita*, or State basis.

Senator O'KEEFE.—This is a convenient time for raising the question.

Senator MILLEN.—It may be convenient to the honorable senator, but it is not convenient to me. Whilst I have no doubt that he can at a moment's notice make up his mind on the most intricate financial problems, I candidly admit that I cannot. This is too big a question for me to come to a decision about without very serious thought.

Senator O'KEEFE.—Of course, if it affects New South Wales and Victoria.

Senator MILLEN.—It is not a question of affecting those States. I think I have made it quite clear to the Senate that I do not desire to-day to express an opinion as

to whether the *per capita* or State basis should be adopted. If the question for me to judge was whether it affected New South Wales or not, I know which system I should adopt straight away. I would say, "I believe in the system which financially benefits my State." But I am not prepared to take that course.

Senator O'KEEFE. — It is a case of "heads I win, tails you lose."

Senator MILLEN.—That, if I may be pardoned for saying so, is an extremely foolish remark, because, as I said, if I wanted to adopt that system which would put money into the Treasury of New South Wales, my course would be clear. I should say at once, "I want the expenditure distributed on a State basis."

Senator PEARCE.—New South Wales will suffer severely if the *per capita* basis be adopted.

Senator MILLEN. — Exactly. I am not committing myself to a policy which would benefit my State, because I recognise that while a system might temporarily or permanently penalize my State, it might still have a great deal to be said in its defence.

Senator STANFORTH SMITH (Western Australia).—In his opening speech the Minister of Defence spoke about the supply of cordite for the Commonwealth. I think I am correct in saying that no cordite is manufactured in Australia. If that be the case, the supply of cordite we have, even when supplemented by the purchase which is provided for in these Estimates, will be exceedingly small. When I was at Albany not very long ago, there was some gunnery practice with black powder from the forts at a floating target two or three miles off. It was only when the wind had quickly blown away the cloud of smoke we were enveloped in after a 7·2 gun was fired that we were fortunate enough to see whether the bullet struck the target or not. Gunnery practice with black powder is of very little use. Seeing that this is one of the most important branches of our defence, if there is to be any practice at all, the men should use cordite and not black powder, which militates so much against effective work.

Senator STYLES.—And let it be manufactured in Australia?

Senator STANFORTH SMITH.—Yes.

Senator DE LARGIE.—Surely the honorable senator does not say that black powder is not good enough to practise with?

Senator STANFORTH SMITH.—Surely the honorable senator can realize that sometimes, owing to a cloud of smoke, the men cannot see whether the bullet strikes the target or the water.

Senator DE LARGIE.—Did the honorable member ever see a smoke that did not clear off?

Senator STANFORTH SMITH. — Does my honorable friend think that a bullet will take half-an-hour to travel three miles? A cloud of smoke does not need to last very long in order to make it impossible to see whether a bullet strikes the target or how far from the target it strikes the water.

Senator DE LARGIE.—What is the difference in the cost of the two powders?

Senator STANFORTH SMITH.—I do not know what the difference is, but I know that cordite powder should be used. We now come to the question of the manufacture of cordite, and the question of whether or not we should have a small arms factory in Australia. We are spending something like £600,000 on our internal forces. We must assume that those forces will never be brought into operation except in certain eventualities—when the British Navy is either defeated or evaded. Therefore, if ever we require to bring our third line of defence into operation, we shall be cut off from the rest of the world. We are practically admitting that the comparatively large sum that we are now spending on our internal forces can be useful only so long as we have sufficient cordite and small arms. It is a most dangerous position to be in. The most important aspect of the whole defence question is that we should have, within our own country, the capacity to manufacture small arms and ammunition, so that we shall not be left undefended if ever we are cut off from the rest of the world. The cost of establishing a small arms factory may be large. Nevertheless, we certainly should have an estimate, or the Government should tell us why they do not think it advisable that such a factory should be established. When we were looking over the fort at Albany, I asked whether there were mines there for use in an emergency.

Senator PLAYFORD.—Fixed mines are being given up in Great Britain.

Senator MILLEN.—They were very useful at Port Arthur.

Senator STANIFORTH SMITH.—I think the Minister must be mistaken as to the use of mines for the defence of harbors.

Senator PLAYFORD.—The information comes from our Secretary of Defence—Captain Collins.

Senator STANIFORTH SMITH.—Probably that opinion has been modified by the results of the war in the East.

Senator MATHESON.—Probably what is meant is that fixed mines are being given up in favour of floating, or partly-submerged mines.

Senator STANIFORTH SMITH.—I asked at Albany, whether they had submarine miners to lay the mines, and, to my absolute astonishment, was told that there were none. I said, "In the event of your having to lay those mines, what should you do?" The reply was, "We should have to get submarine miners from Melbourne." The position seems to me to be absolutely absurd. What is the use of the mines if there are no trained men to lay them? It would take a considerable time to take men from Melbourne, and there might be a need to lay the mines rapidly.

Senator PLAYFORD.—That is another reason for the construction of the trans-continental railway.

Senator STANIFORTH SMITH.—In the absence of the railway it would certainly be very advisable to have, at Albany, the requisite number of miners. The position requires attention from the Minister, who should insure that some action is taken. We have, in Western Australia, a military force of only 1,620 men, on a peace footing, to defend one-third of Australia. That apportionment, I understand, was fixed under one of Major-General Hutton's schemes. The number is exceedingly small. It means that if any enemy could land with a superior force he would have practically the whole of Western Australia at his mercy. I am told that many applications to join regiments, especially the Light Horse, have had to be refused!

Senator MILLEN.—What was the strength of the establishment prior to Federation?

Senator MATHESON.—There were about 2,000 men.

Senator STANIFORTH SMITH.—That does not affect the issue. The question is whether the force is strong enough now. A larger apportionment of troops ought to be given to Western Australia, especially in respect to those regiments

which men have been refused permission to join. I agree with Senator Matheson that it is extremely desirable that we should have guns of heavier calibre than those which it is proposed to put in at North Fremantle. Guns of a 7·5 calibre are not sufficiently powerful. At the same time, I do not know that cruisers or battleships would be able to bombard Fremantle from the same distance as they would be able to bombard the forts, because in front of Fremantle lies Rottnest Island. There are two means of approaching Fremantle, one on each side of the island, where batteries are fixed, but only the entrance lying between North Fremantle and Rottnest Island is deep enough for large vessels. A battleship or a cruiser would have to come in much closer to bombard Fremantle than to reach the forts.

Senator MATHESON.—It is the ships and wharfs that an enemy would bombard.

Senator STANIFORTH SMITH.—My point is that the 7·5 guns mounted at North Fremantle would be nearer to the bombarding vessels than the wharfs and shipping would be.

Senator MATHESON.—Only about 300 yards nearer.

Senator STANIFORTH SMITH.—The Minister of Defence states that the order for these guns was given last April. The circumlocution of the authorities in Great Britain is proverbial, and it is quite possible that that order has not yet even been put in hand. I should like the Government to get expert information as to whether it would not be advisable to cancel the order and to obtain larger guns. I asked some questions of artillery officers in Western Australia, and they stated that they thought 7·5 guns would be large enough. Probably they were not the best authorities on the subject. They may not be *au fait* with the latest developments. Their opinion is not, at any rate, so valuable as would be the views of the members of the Defence Committee.

Senator PLAYFORD.—It was the Defence Committee that recommended 7·5 guns.

Senator STANIFORTH SMITH.—But how long ago?

Senator MATHESON.—They recommended those guns at the price, but they did not recommend them in preference to 9·2 guns.

Senator STANIFORTH SMITH.—It is self-evident to a layman that if a ship carries 9·2 guns, and the fort against which she is operating carries only 7·5 guns, the

ship can lie outside the effective range of the guns of the forts and simply batter the town and the shipping to pieces. If that be the case, the fortification should have guns at least as modern and effective as would be carried by line-of-battle ships. There are 12-inch guns on some battle-ships, though I admit that they are comparatively few.

Senator PLAYFORD.—There may be more of them in a few years.

Senator STANFORTH SMITH.—If warships are to be generally armed with 12-inch guns, it would be absolutely foolish of us to put 7.5 guns in our forts. We are assured that the Government desire to do what is best for the defence of Australia. Within the last few months our attention has been focussed on the necessity of defence more closely than previously. The Government can, at any rate, make inquiries as to the possibility of our having heavier guns at our forts, and also as to the desirableness of establishing a small-arms factory and a cordite factory. The fact that no cordite is made in Australia places us in an extremely dangerous position. I should like the Government to find out what would be the minimum cost of establishing such a factory, and also one for the manufacture of magazine rifles. If there were such a factory we should be able to increase our effectiveness, even if communication were cut off with the rest of the world. The highest military authorities have laid it down that there should be not only sufficient arms for the whole of the forces and reserves on a war footing, but 50 per cent. in addition. We have only 30,000 or 40,000 effective rifles in the Commonwealth, and if by any combination of circumstances, an enemy landed a large force in Australia, we should, while able to obtain men to the number of about half-a-million, not be able to efficiently arm more than 50,000 or 60,000. I suppose the balance would be armed with pitchforks and boomerangs. We shall not be safe until either a large number of rifles are ordered, or we establish—as I think we should—a small-arms factory, and increase our reserve of arms until we have, as recommended, 50 per cent. more than necessary to place the forces on a war footing.

Senator PLAYFORD (South Australia—Minister of Defence).—I can assure Senator Smith that I have not lost sight of the proposal to establish a factory for the

production of warlike stores and ammunition. I should be only too pleased if such a scheme could be carried out at a cost which would not prove too burdensome; but we must remember that there is such a thing as paying too dearly for one's "whistle." It would be well if we could manufacture our own cannon, rifles, cordite, and all that is absolutely necessary to thoroughly equip our forces for the defence of the Commonwealth. The proposal to establish a factory was not lost sight of by previous Governments, and I have looked up the records of the steps taken in regard to the supply of small arms. I have gone through all the documents which I thought would assist me in the administration of the Department, but I cannot find that any Government has gone to the extent of obtaining an estimate of the cost of establishing a small-arms factory. However, the Colonial Defence Committee, the proceedings of which are conducted under Imperial auspices in England, have thrown the idea on one side as too expensive and impracticable to be thought of for a moment. But I promise honorable senators that I shall have an estimate prepared and submitted for their information.

Senator DE LARGIE.—Why not extend the estimate so as to include the manufacture of heavy guns?

Senator PLAYFORD.—I think that a proposal to manufacture heavy guns is more out of the question than that to manufacture our small arms, considering that the number of heavy guns we require is so small. As to the establishment of a State factory for the production of cordite, an estimate has been prepared. Offers have been received from the proprietors of the Melbourne Ammunition Factory, and also from the Nobel Company, to manufacture cordite within the Commonwealth. To establish a Government factory on the smallest possible scale would cost £170,000 odd, or, say, in round numbers, £180,000; and if we manufactured for the whole of the Commonwealth Forces it would take only a month to turn out all the cordite required for twelve months. For the rest of the year the factory would have to lie idle, and the men who would thus be thrown out of work would, from want of practise, lose their power of manipulating the cordite, and would have to be trained over again. So far as I can see, a Government factory for the manu-



facture of cordite would never pay. The Melbourne company, who, at the present time supply the cartridges for the Commonwealth Forces, have offered to manufacture our cordite on the condition, first, that they are paid £1,000 as a bonus every year; and, second, that we buy all our cordite from them, and pay for it prices varying in proportion to the quantity purchased. For the smallest quantity we should require we should have to pay 5s. per lb., whereas at the present time we pay 2s. 8d. per lb. for imported cordite, including freight and all other charges from England.

Senator GUTHRIE.—Does the 5s. per lb. include the bonus of £1,000?

Senator PLAYFORD.—No; the bonus is additional, and I say that that offer would not pay the Commonwealth. An increase of 100 per cent. in the price is a little too much.

Senator PEARCE.—Does cordite deteriorate by keeping?

Senator PLAYFORD.—Cordite will keep for centuries if necessary.

Senator DE LARGIE.—Could not a Government factory be utilized for the manufacture of other kinds of ammunition?

Senator PLAYFORD.—What other ammunition is there to manufacture?

Senator DE LARGIE.—Could such a factory not produce different kinds of "fracteurs" for mining?

Senator PLAYFORD.—Without an alteration of the Constitution, I do not think that the Government could undertake the manufacture of explosives for the public. At present I am only stating the facts of the case, and it appears to me that the Government would not be justified in paying so high a price to the local manufacturer. The offer from the Nobel Company is practically the same as that of the Melbourne Company, except that the bonus of £1,000 is not asked for. These represent the best offers we have had up to the present time. The quantity of cordite we require is so insignificant that even if the Commonwealth Government got the right to supply the fleet, the forces of New Zealand, and so forth, there would not be sufficient demand to keep a factory busy.

Senator GUTHRIE.—But the Government could store the cordite.

Senator PLAYFORD.—That may be; but the larger the quantity we stored the longer the factory would be left idle. I have come to the conclusion that I cannot

recommend Parliament to accept either of the offers I have mentioned, or to establish a factory.

Senator STANFORTH SMITH.—Lord Curzon, in speaking of the defences of India, expressed the opinion that that country should be self-contained, as far as possible, in regard to ammunition, weapons and stores.

Senator PLAYFORD.—India is inhabited by several hundreds of millions of people, and there is a big army of 500,000 men to be supplied.

Senator STANFORTH SMITH.—The principle is the same.

Senator PLAYFORD.—But the conditions are different. No doubt in time Australia will have to be absolutely self-contained in this regard, but, at the present time, we are not in a position to carry out the idea. At all events, I do not feel that I should be justified in asking Parliament to pay 100 per cent. more for the cordite than we are now paying.

Senator PEARCE.—Especially when it can be kept without deterioration.

Senator PLAYFORD.—It appears to me that to pay such an increased price would be protection run mad. We can always purchase and store a large quantity, so as to be prepared for an emergency. I should now like to say a word or two about the important question raised by Senator Matheson in regard to the fortifications at Fremantle, and the guns which the Government propose to mount there. I am sure we are all very much indebted to the honorable senator for the pains he has evidently taken in the collection of his facts and figures, and for the plain, common-sense, logical way in which he laid his case before the Senate. Not being an artillery officer, I do not suppose that I am expected to be able to reply to the criticisms of the honorable senator. Up to the present I have had no opportunity to consult my officers on the subject, except in the most perfunctory way. Senator Matheson some time ago expressed the opinion to me that the Government were making a mistake in purchasing these 7.5 guns, and I at once offered to supply the honorable senator with any information which would help him to arrive at a conclusion in the matter. Both the officers of the Department and myself assisted the honorable senator, as far as we could, and now he has laid before us a statement

which requires, and shall receive, the greatest consideration on the part of the Government. I have already called upon the officers of the Department for a report on the remarks which have been made by Senator Matheson, and if they cannot satisfy me that the honorable senator has made a mistake in some way—if they have to admit that his premises are correct, and that his conclusions are fairly drawn—I shall have no hesitation, if I possibly can, in countermanding the order for those two guns, and in considering whether or not we ought to procure the 9'2 guns referred to, or, it may be, some other more improved weapon. I trust in the course of a few days to be able to inform the Senate as to the result of my inquiries. This is an exceedingly important matter, and I am very much impressed with the statement of Senator Matheson. The object of the Government is not to spend money foolishly; but, if we are to buy weapons, to buy the most effective for the defence of the Commonwealth. In answer to an interjection made when I moved the second reading of this Bill, I said that Sir George Turner had instituted a method of charging for new works on a *per capita* basis, instead of debiting the individual States with the expenditure, and I expressed the belief that the right honorable gentleman had justification for the step he took. That justification, which is based on the Constitution, may be found in his Budget speech on page 5650 in *Hansard*, of the 18th October, 1904. Section 89 of the Constitution provides—

(ii.) The Commonwealth shall debit to each State—

(a) the expenditure therein of the Commonwealth incurred solely for the maintenance or continuance, as at the time of transfer, of any department transferred from the State to the Commonwealth.

But what about new works? There is not a word in the section about new works. Sir George Turner considered that under the Constitution new works ought to be debited on a *per capita* basis. He contends that the Constitution provides for it, and that up to the time he took action a mistake had been made in debiting the cost of new works to the States in which they were constructed. I have explained the position which the right honorable gentleman took up in October of last year. So far as I am aware, it has never been controverted. Some people do not like it, be-

—*for Playford.*

cause, apparently, the practice is an advantage to certain States and a disadvantage to others, but I do not know that any one who has really gone into the matter has said that Sir George Turner was not justified in the action he took. In consequence of the large sums now proposed to be expended in Western Australia, it would appear that that State will gain very considerably by this system; but, as Senator Pearce has pointed out, we shall not have to buy back these works. In the long run the system will be found to work out equitably. We need not expect that it will always give satisfaction, or that each State will in each year have expended within its boundaries the exact amount *per capita* that is spent in each of the other States. New post-offices, telegraph stations, and other public works may be rendered necessary as a consequence of the growth of population in a State, and the settlement of previously unoccupied country. We must in such cases provide those facilities which have already been provided in older States, like Victoria, and for which we have now to pay under the head of transferred properties. Really, when we come to look into the matter, it is about as broad as it is long.

Senator O'KEEFE.—No one would object to the plan if it were not for the book-keeping system.

Senator PLAYFORD.—Senator Pearce complained that we brought forward a proposal for the expenditure of certain money on warlike stores, and gave no information on the subject. If the honorable member would look at the appendix relating to warlike stores, signed by Major Sandford, he will see how it is proposed that this money shall be spent. We propose only the expenditure of a certain sum each year. Honorable senators sometimes complain that there are only so many pounds down for a particular post-office, when if the item is carefully looked into it will be found that the work will eventually cost a very much larger sum. There may be a vote of £10,000 on the Estimates in one year, by which Parliament will be committed to an expenditure, it may be, of £30,000 for the completion of the work. So in the case of the vote for warlike stores. When Parliament agreed to vote the sum fixed by the Government of the day for warlike stores to place the Defence Force of the Commonwealth on a war footing, it committed itself, not merely to the

expenditure of the amount voted in that year, which happened to be some £96,000, but to the expenditure of £524,000 for this purpose. With the exception of the sum of £24,000 for new guns, the vote set down in the schedule to this Bill is merely a continuation of the provision previously approved for warlike stores necessary to place the Defence Force of the Commonwealth on a war footing.

Senator PEARCE.—My complaint was that there was no vote set down for rifles, although the Minister said that it was essential that they should be provided.

Senator PLAYFORD.—It unfortunately happens that in the original statement with respect to necessary warlike stores, there is no provision for rifles. The Government contend that rifles are of far more importance than accoutrements, saddlery, and things of that sort. We therefore propose to devote some of the money set down in the schedule for warlike stores to what we consider will be much more useful for the equipment of our Army than many of the items for which it is proposed that the money shall be voted. I should have been ashamed if I had had the compilation of these Estimates to have brought them down in the way in which they appear before the Senate, so far, especially as regards the vote for special defence material. I should have deserved the most severe criticism that could be levelled at me if this were my work. But honorable members know the peculiar circumstances in which I have been placed. When I took office, the Estimates of the Department had been seen by the then Minister of Defence, and sent on to the Treasurer, who desired to place the Estimates in Chief before Parliament as early as possible. As a matter of fact, I knew nothing about them until they were submitted. I have frankly told honorable senators the exact position, and that when I did see the Estimates I recognised that a mistake had been made, and that it would be a great deal better that a sum of money should be expended in providing cordite, ammunition, and additional small arms than in providing great-coats and articles which could be made up quickly in the Commonwealth. It is better that we should spend some of this money on equipment which cannot be provided here, and which would be of vastly more importance in actual conflict than great-coats, saddlery, bits, and other items included in

the vote appearing in the schedule. I have told honorable senators that I am willing to bring before them a statement as to how I propose to vary the destination of these votes in order to bring the expenditure more into line with the real necessities of Commonwealth defence. Senator Pearce has suggested that we might add the words "and rifles" to the item "Accoutrements," and the word "cordite" to the item covering ammunition. I shall be perfectly satisfied to accept that suggestion if honorable senators approve of it. It will give me the opportunity I desire to spend some of this money on items we consider urgently necessary.

Senator MILLEN.—It might save the honorable gentleman some trouble with the Auditor-General!

Senator PLAYFORD.—It would save trouble with the Auditor-General, though, of course, honorable senators are aware that I could get Executive authority for the transfer of the votes. There are certain ways of overcoming these difficulties. I prefer to take a straightforward course, and to give Parliament the fullest information of what I propose to do. Then when we come to the item for mounting guns on the *Cerberus*, I shall raise no objection to an amendment to omit it altogether. Senator O'Keefe referred to the drill-hall at Newcastle, and said that £2,000 appeared to be a very large sum for the purpose. The amount required is to provide a drill-hall for the accommodation of No. 3 Company, A.G.A., No. 1 Squadron 4th A.L.H., Head-Quarters 4th A.I.R., "A" Company 4th A.I.R., two companies of Scottish Rifles, two companies of Irish Rifles, and the A.A.M. Corps. We are at present providing premises for the convenience of these military corps at a cost of some £300 a year in rent, and honorable senators will see that if we spend £2,000 on the erection of a commodious drill-hall, we shall save at least £200 a year. It is of no use to compare the drill-hall at Newcastle with the hall required at some less important place in the Commonwealth. I now come to deal with the provision for post-offices and telegraphs. I find that £30,000 is looked upon as an exceedingly large sum to spend in connexion with the Melbourne General Post Office, but every one who has had any business to do at that post-office must admit that it lacks necessary accommodation. It is proposed to spend £30,000 on additions, and the vote of

£10,000 appearing in the schedule is, I am advised—

A first instalment of that amount towards the cost of building the basement and ground floor of portion of the ultimate extension northwards covering about one-half of the present unoccupied portion of the site. The additional accommodation provided will be absorbed by the mail branch, including special provision for registration, inquiry, and stamps. The work will include temporary iron and wood telegraph office, at a north-east angle, and pulling down present brick telegraph office and rebuilding it at north-west angle of site (corner of Elizabeth and Little Bourke streets).

I contend that that work is absolutely necessary at the present time. I acted for some little time for Sir P. O. Fysh as Postmaster-General, and I was able to see that the Melbourne General Post Office lacked proper accommodation in a lamentable degree. The expenditure of the total sum of £30,000 will probably be spread over three years. Some severe criticisms have been passed on the proposed trunk telephone line between Sydney and Melbourne. Some honorable senators consider that it cannot possibly pay. Senator Matheson has worked out an arithmetical calculation, showing that if we allow three minutes' conversation for 6s. 6d., and the line is occupied every day for a certain number of hours it cannot pay. I do not profess to know whether it will pay or not, but I do know that for many years past the Department has been urged to establish a trunk telephone line between Sydney and Melbourne. We have heard Senator Milten say that he is so satisfied that it will pay that he is prepared to float a company to build it to-morrow, and will give honorable senators a chance to obtain a certain number of shares, with a promise that they will receive an enormous dividend on the money they invest. I am informed that—

The matter received consideration at the 1896 (Sydney) and 1898 (Hobart) Conferences, and at the 1900 (Sydney) Conference the question formed the subject of a joint report by the Deputies Postmasters-General, New South Wales and Victoria, and up to this stage it was not considered advisable, owing to the large outlay involved to recommend the carrying out of the work.

The subject again received consideration at the hands of the Electrical Committee which met in Melbourne in June-August, 1901. The committee reported somewhat fully on the matter, and recommended for favorable consideration the carrying out of the work, which they estimated to cost £49,596.

During the late Government's term of office, the matter was once more fully gone into by the Postmaster-General, who obtained full reports upon the various aspects of the matter. These reports indicate that the line could be erected with 600-lb. per mile copper wire, for a total

*Senator Playford.*

cost of £39,450, or deducting £4,800 as representing the value of material, which would be recovered for use elsewhere in connexion with the re-polling of the New South Wales section of the line, a net cost of £34,650. This amount would be apportioned as follows:—

£4,400, to telegraphs, as representing the cost of re-polling required for telegraph purposes;

£19,250, as representing the New South Wales proportion of cost of the line;

£11,000, as representing the Victorian proportion of cost of the line.

Estimates have been obtained which indicated, in the opinion of the late Postmaster-General, that the revenue that would be derived from conversations over the line would, at the outset, exceed 10 per cent. on the cost of construction. It was also pointed out that the copper wires which would be used for the line would, if required, be available for telegraphic purposes.

Suppose that we divide 10 per cent. by 2—and that is allowing a very liberal discount on the official estimate—Senator Matheson will agree that 5 per cent. would be a very fair interest on the expenditure. Surely the officers must have based their figures upon very different lines from those adopted by the honorable senator.

Senator MATHESON.—Mine were taken from Sir George Turner's estimates. They were absolutely official.

Senator PLAYFORD.—I have quoted the official estimate.

Senator MATHESON.—Sir George Turner's estimates were amended by somebody else.

Senator PLAYFORD.—They were amended by the late Government.

Senator MATHESON.—They saw that the estimate of cost was hopeless, so they brought forward another one.

Senator PLAYFORD.—I do not know, but I feel quite satisfied that they felt that the line, if erected at that cost, would return a profit. Suppose we take a very pessimistic view, and say that the late Government estimated double the amount that would be received, a very good margin of profit would be left.

Senator TURLEY.—How about the statement which has been made, to the effect that Ministers would take up the whole time? Would not their conversations over the line be recorded against them?

Senator PLAYFORD.—I should imagine that my Department would have to pay for my conversations over the line. I should not imagine for a moment that a Minister would be allowed the free use of the line.

Senator MATHESON.—Do not Ministers send free telegrams?

Senator PLAYFORD.—No; all telegrams are paid for by the Department. Sometimes honorable senators receive telegrams on public business, but they must not think for a moment that the Post and Telegraph Department loses any revenue from their transmission, because all such telegrams are paid for out of the parliamentary vote for the purpose.

Senator O'KEEFE.—Does it not come to the same thing in the long run?

Senator PLAYFORD.—No. It shows exactly what the Post and Telegraph Department fairly earns. It would be unfair to have a system of free telegrams and free postage. The Post and Telegraph Department ought to be credited with its earnings whatever they may be, and the Departments which make use of it debited with the cost of the services rendered to them.

Senator GIVENS.—If the Ministers occupied much time in speaking over the through telephone line, the revenue would suffer to that extent.

Senator PLAYFORD.—Yes, but it is really absurd to think that Ministers would listen all day to the squeaking of a telephone. I can assure my honorable friend that they have quite enough of that kind of enjoyment as it is. Senator Matheson has said that we have no artillery ranges. On almost the first day I entered the Department the head of the Intelligence branch said that we really ought to have artillery ranges if possible. He pointed out that there is a great difficulty in the way, because an artillery range has to extend over such a great distance. Where should we have to go to get an artillery range ten miles long and four miles broad? We should have to go into the interior.

Senator MATHESON.—What do they do in populated England?

Senator PLAYFORD.—I am sure I do not know; I suppose they have an immense area round Aldershot which is useful for that purpose, but I do not suppose they have an artillery range at Dover, Portsmouth, Plymouth, or any of their big cities. I believe they have only one or two in the whole country.

Senator MATHESON.—They have an artillery range near Liverpool, at Salisbury Plains, Aldershot, and Hythe.

Senator PLAYFORD.—In England they may have a few artillery ranges, as we hope

to have by-and-by. The question has not been lost sight of. It will be brought before me very soon, I hope, because I asked to be informed whether there was any likelihood of our being able to get an artillery range at the present time. In South Australia the men go down to the beach and blaze away at an old barrel in the sea, but my officers tell me that that sort of training is not so good for the men as firing on land.

Question resolved in the affirmative.

Bill read a second time.

*In Committee:*

Clause 1 agreed to.

Clause 2 postponed.

Progress reported.

## ADJOURNMENT.

### IMMIGRATION: OFFER FROM GENERAL BOOTH.

Motion (by Senator PLAYFORD) proposed—

That the Senate do now adjourn.

Senator CROFT (Western Australia).—I desire to draw attention to the following paragraph in this morning's *Age* :—

#### BRITISH IMMIGRANTS.

#### OFFER FROM GENERAL BOOTH.

#### CAN SEND 5,000 FAMILIES.

A notable development took place yesterday in connexion with the Prime Minister's efforts to secure reputable white immigration. Mr. Deakin received by cable an offer from General Booth, the venerable head of the Salvation Army, to send 5,000 families to Australia. Mr. Deakin at once wrote to Mr. Bent, Premier of Victoria, and despatched the following telegram to each of the other Premiers :—

"Have received cable from General Booth, asking whether, if he sends 5,000 families, principally agricultural and allied industries, Australia can place them, probably meaning that most desire to settle on land. He adds that they are of good character, healthy, and not destitute. Of course your representative in London can also be satisfied of this if desired. He expects to have them available during coming English winter. Shall be glad to learn whether your State is prepared to take and place any, and, if so, how many of these immigrants. Am so communicating all Premiers, and shall be glad of early reply."

When making the foregoing announcement, Mr. Deakin said :—"I am very gratified to receive a practical proposal of this kind." Until he has the Premiers' answers to his telegram, the Prime Minister will not say more.

I for one am not opposed to immigration, and by that term I mean the introduction of men to secure the proper development of the resources of this great country. I am in favour of developing our resources as

early as possible; but I am opposed to bringing people out here until we have taken the steps necessary to provide work and food for those who have been born here, and have given their labour until the last few months, perhaps until the last year, towards the development of this country. The Prime Minister has pointed out to the Premiers of the States that he can get 5,000 families from England. After having lived for two years in Melbourne. I am prepared to say that I can get him 5,000 families of good repute in this city to go to any State in which a living is promised. Of course I realize that, owing to the state of the land laws, it is of little use for men to stop in Victoria if they hope to get on the land. I sympathize with the people in every State who are in want of work. I sympathize with the men in Victoria who are out of work, and I hold out my sympathy to the 5,000 families in England who might come here thinking that they can improve their position in Australia under existing land laws. The families who are not destitute in Great Britain are better off than they would be if they were in Victoria under its present land laws. It is proposed to put on the land the 5,000 families who are to come from England. Of course it will be pointed out that, not being destitute, they will get on better than they would in the old country. There are thousands of unemployed men to-day who were doing well a little time ago. Owing to adverse circumstances, bad laws, and the gradual increase in large holdings, and decrease in small holdings amongst farmers, they got out of work. That I believe, would be the fate of the heads of the 5,000 families whom it is proposed to bring out here, unless the land laws be improved. Those who take an interest in the state of the land laws, particularly Victorians, owe a debt of thanks to a member of the State Legislature, Mr. Anstey, for the great pains he has taken in bringing together figures and facts dealing with the land laws of Victoria. At the present time the holdings in this State are too large, and the taxation is too small. In his articles Mr. Anstey has so clearly pointed out the position in Victoria that his remarks are worth quoting.

Senator MILLEN.—Where did the articles appear?

Senator CROFT.—They appeared in the *Tocsin* on 13th July. While I know

that some honorable senators have a prejudice against the *Tocsin*, because it is a labour newspaper, I assure them that these articles are well worth reading. They also formed the subject-matter of a speech by Mr. Anstey in the Legislative Assembly of this State.

Senator MILLEN.—I asked for the information in order to enable me to do the very thing that he desires, namely, to read the articles.

Senator CROFT.—Mr. Anstey deals with the agricultural statistics of Victoria, and shows that while the area of land taken up between 1881 and 1904 has increased, the number of people on the land has actually decreased. He shows that in the following passage:—

The agricultural statistics of Victoria present the following facts as to the occupation of the alienated areas and the farm holdings thereon:—

Year.	Holdings occupied	Acres occupied.
1880	48,969 ...	16,620,900
1881	49,637 ...	18,141,124
1903	43,768 ...	20,577,167

The area in occupation, therefore, increased by millions of acres; but upon the wider area there were 5,200 fewer "holdings" than in 1880, and 5,800 fewer than in 1881.

While some people are talking of encouraging immigrants to come to this country, we actually find that although there is a larger area of land under cultivation, there is a lesser number of people on the land. I know that there is a greater number of agricultural labourers on the land, but they are employed at extremely low wages. Mr. Anstey gives the following interesting figures as to the persons who are settled on the land:—

	1881.	1891.	1901.
Agriculturalists, dairy farmers, market gardeners, and other growers who either employed labour or worked for themselves	38,652	41,287	38,713
Graziers	2,582	4,277	4,664
Wage workers	17,105	21,646	36,453

I point out these facts with a view of entering my protest against the encouragement of the immigration of persons to go upon the land when we cannot find land for them or for those who are now walking about our streets.

Senator GIVENS.—We can find it if we like.

Senator CROFT.—Of course we can, if we take proper steps, which, however, we do not seem to be inclined to take at present.

Senator PEARCE.—We have full power to tax land to break up the large estates.

Senator CROFT.—At any rate, I think that a protest is necessary, and I take this opportunity of making mine.

Senator PULSFORD (New South Wales).—I feel that it would be a matter of the deepest regret if an impression were to go abroad that the Senate as a whole, or any large number of its members, is antagonistic to carrying out the project initiated by General Booth. When he was in Australia a few months ago he made a public statement with regard to the small facilities, and the slight amount of encouragement offered, for the emigration of British subjects to Australia. I remember sending him a private telegram from Sydney to Melbourne, stating that I, at any rate, should do all I could as one member of Parliament to facilitate emigration to Australia of the kind that he desired to promote. I cannot possibly go into this matter at length at this stage, but I wish to express my emphatic opinion that the future of Australia is involved in a material increase of immigration, and that it is the duty of this Parliament to do all that it can at the earliest possible moment to see that the endeavours of General Booth are enabled to be given effect to.

Senator STEWART (Queensland).—I do not see why my honorable friend, Senator Croft, should be annoyed at the efforts of General Booth, because I am convinced that they will have this excellent result—that it will be found that no State of Australia is prepared to give land to any number of immigrants, even if they are sent out free of cost to the Government.

Senator CROFT.—Western Australia is doing it now.

Senator STEWART.—I do not wish to depreciate the land of Western Australia, but really I do not think it would be wise to bring out a great number of immigrants and to put them there as an experiment. So far as concerns the other States, I say emphatically that there is scarcely one of them that can support one hundred families close to each other. Land monopoly prevails to such an extent that it would be simply impossible to settle one hundred families contiguous to each other in Queensland, except on the worst land. The same state of affairs prevails in New South Wales, and in Victoria it is a thousandfold worse. What is the use of bringing immigrants here when we have not land enough

to put them on? Senator Best is smiling, but I suppose that he is a member of the land ring, and never did anything while he was a member of the State Parliament to break it down.

Senator BEST.—Pardon me, but I did. I introduced compulsory land resumption in Victoria.

Senator STEWART.—I am very glad that I have brought out that fact. If Senator Pulsford wishes to increase the population of Australia—and we all, I am sure, agree with him in that, though we differ in our methods—he should help to break down the land monopoly.

Senator MATHESON.—We can accommodate a large number of immigrants in Western Australia.

Senator STEWART.—I have no objection to their going to Western Australia, if that State can accommodate them—on its sand-hills.

Senator BEST.—Is there no compulsory land resumption in Queensland?

Senator STEWART.—No. We have a means of re-purchase, but the owners of estates under the existing law cannot be compelled to sell. The result is that when they do sell they charge exorbitant prices for their land. The persons whom General Booth proposes to bring out want free land, as I understand it. I know of no State in Australia, except perhaps Western Australia, that has free land to offer. What we have to do—and I wish to hammer this into the head of Senator Pulsford, and every other conservative in the Senate—is to break up the land monopoly by direct taxation.

Senator MILLEN (New South Wales).—It is a matter of very great regret that a subject of such overshadowing importance as this should be brought on at a time when it is impossible to debate it properly. If Senator Croft's remarks are to be taken as amounting to a protest against the general principle of immigration—and I did not take them in that sense—I am not in accord with him. But at the same time I should not be at all inclined to support a general scheme of immigration for Australia before we have set our house in order. What I understand he wishes to do is to utter a warning against bringing out a large number of immigrants before we are ready to receive them. If that is the purport of his remarks, I indorse them. It would be nothing short of a criminal shame to bring out a number of unfortunate

people until we have so ordered our affairs that there will be a reasonable opportunity of their being absorbed in the ordinary channels of industry. The matter is one of extreme importance, and I hope at an early date to have an opportunity to bring it under the notice of the Senate for discussion upon a definite motion.

Senator MATHESON (Western Australia).—I cannot allow the debate to close without calling attention to this simple fact: We, in Western Australia, are prepared to give a most hearty welcome to the whole of the 5,000 immigrants whom it is contemplated to send out to Australia. If there are other States in which land is not available, we, at any rate, have large areas of most excellent land for that purpose, and I take the opportunity to say that such immigrants would receive a most hearty welcome in the State which I represent.

Senator DE LARGIE (Western Australia).—If it had not been for the remarks of Senator Stewart, I should not have troubled the Senate by joining in this discussion. On recent occasions we have tried to put down what is known as the "stinking fish" party in Australia. Senator Stewart appears to be the latest recruit of that ignoble army. He has recently been in Western Australia, and yet he talks about the sand-hills of that country as though the State had no good agricultural land to offer. One can only assume that he was so blind with prejudice that he could not see around him at the time he was in the West. I do not know what quantity of good farming land may be available in other States, but in Western Australia I can assure honorable senators that there is any quantity available, Immigrants of the proper kind will be welcomed; and I do not wish it to go forth that the party to which I belong takes a contrary view. There is plenty of room in Western Australia for suitable immigrants.

Senator FINDLEY.—Then why is not provision made for the unemployed in that State?

Senator DE LARGIE.—We have found work for a very large number of Victoria's unemployed. Western Australia, with, perhaps, Queensland in a lesser degree, is the only State in Australia which is doing anything in the way of assisting immigration. Every week selected immigrants of the right type arrive, and are

settled on the land, and, all the conditions being observed, there will be plenty of room for the 5,000 which it is proposed to send out, if they are farmers and desire to go on the land.

Senator GIVENS (Queensland).—I agree with Senator Pulsford and others that it is extremely desirable to have a large population. It would be exceedingly good for Australia and the Empire if, instead of 4,000,000 there were 40,000,000 prosperous and happy people within the Commonwealth. But how are we going to enable 40,000,000, or any large increase on our present number, to live in that comfort, happiness, and prosperity we desire for all our citizens? Will Senator Pulsford, and others who think with him, assist to bring about that happy result? If 1,000,000 were added to the population to-morrow, the result would be a large increase in the crop of human misery, simultaneously with an enormous advance in the value of private property and land.

Senator WALKER.—The debt per head would be reduced.

Senator GIVENS.—What does it matter whether forty or one hundred people owe money, if they cannot earn enough to make the burden lighter? Doubtless Senator Walker, as a bank director, would welcome a large increase in the population, seeing that thereby mortgages would be largely enhanced in value. There is only one way to make a large population prosperous, and that is to free the land for their occupation. The compulsory purchase of large estates and the subsequent cutting of them up, would not settle the question, because there would be nothing to prevent the whole of the land gravitating back into a few hands.

Senator BEST.—There would be a great deal to prevent that.

Senator GIVENS.—In Victoria, I believe, there is a law that only a certain amount of Mallee land shall be held by one person; but that law has been evaded wholesale in the most shameful manner. The proper method is to impose a stiff graduated land tax. It has been suggested that it is for the States and not for the Commonwealth Parliament to open up the lands for the people of Australia, or for any new population. In my opinion, this is a question with which we have ample power to deal; indeed, I think the Federal Parliament is the power to most effectually



deal with it. But until there is a stiff graduated land tax—

Senator PLAYFORD.—There is a land tax already in South Australia.

Senator GIVENS.—I do not want a land tax in isolated portions of the Commonwealth, but throughout the whole of Australia.

Senator PLAYFORD. — And “double-bank” those already taxed?

Senator GIVENS.—The money would be returned to the States, and local taxation could then be remitted.

Senator PLAYFORD.—The money would never be returned once the Commonwealth got it.

Senator GIVENS. — A good deal of money is returned to the States now. The desire is not to impose a land tax for the sake of raising an enormous revenue, but for the national purpose of making Australia prosperous and happy; indeed, I should like to see such a tax rendered inoperative by the cutting up of estates. If we leave this national duty to the six Parliaments it will never be done, at any rate efficiently done, owing to the impossibility of having a uniform impost. But the Commonwealth Parliament, with its democratic Upper Chamber, can carry out such a work most effectively. If we had such a tax we should have no cause to complain of unemployed, or have the slightest fear of any large influx of population. We should welcome all immigrants of good character, because they would enable us to exploit the national resources of the country for the national well-being, instead of for the sole benefit of a few land-grabbers.

Senator BEST (Victoria).—I deeply regret that a note has been sounded by one or two honorable senators which might lead strangers to suppose that in Victoria there is not ample room for settlement, and that facilities are not afforded to immigrants.

Senator GIVENS.—In Victoria good land cannot be obtained under £70 an acre.

Senator BEST.—In Victoria there is room on the land for the settlement of millions. Moreover, when once an influx of agriculturists can be secured, public opinion will demand the compulsory resumption of estates to enable settlement to take place.

Senator FINDLEY. — Why cannot the people already in the State bring about that result?

Senator BEST.—In Victoria there has always been an anxious desire to encourage those who wish to settle on the land.

Senator FINDLEY.—Not so; the State Upper House has always blocked the way.

Senator BEST.—I desire to say that suitable immigrants will always receive every encouragement. At this hour I cannot go into the question at length; but Senator Croft's protest must not be taken as an expression of opinion from this Chamber that we desire to discourage immigration. I agree with Senator Croft that some direct assurance must be given to these 5,000 families, provided they are of the right stamp, that facilities for settlement will be afforded. I have no doubt that every encouragement will be given to suitable men; and the object of General Booth's cable is, I assume, to enable the Prime Minister to consult with the various State Premiers, so that steps may be taken in that direction.

Question resolved in the affirmative.

Senate adjourned at 4.10 p.m.

## House of Representatives.

Friday, 15 September, 1905.

Mr. SPEAKER took the chair at 10.30 a.m., and read prayers.

### SLANDERS ON AUSTRALIA.

Mr. HIGGINS.—Has the attention of the Prime Minister been called to an article in Wednesday's *Herald*, describing the prejudice against Australians existing in South Africa, and fostered by the South African press? Has he any means of ascertaining how far the South African press is still owned and controlled by the Rand mining ring, and has he any means of correcting the calumnies circulated in South Africa with regard to Australia, its public policy, and its administration?

Mr. DEAKIN.—I have read the article in question. It appeared to give a very reasonable and temperate account of some very unfortunate experiences. As to the proprietorship of the South African press, I have only the same sources of information as are possessed by other honorable members; but the Agent-General for New South Wales has, within the last few days, officially reported to his Government that the influence of the mine-owners referred to, and others, in the London money market is distinctly hostile to Australia.

Mr. FISHER.—Thank God!

Mr. DEAKIN.—I feel disposed to offer thanks neither for the existence of that body nor for its operation against Australia. I am not in a position to say whether the current statement that the same influences control the press of South Africa is correct, though it appears quite likely that it may be so. It is very hard to say what means we possess of defending ourselves in another part of the Empire against the attacks of privately interested parties. We can neither treat them as official nor afford to entirely ignore them.

Mr. THOMAS.—Why not?

Mr. DEAKIN.—South Africa is part of the Empire to which we belong, and we cherish towards its people the friendliest feelings. We have none but the best wishes for its development, and if it were in our power to take action here to assist it, we should do so most gladly. If we heard that country slandered by any one in Australia or outside, we should defend it.

Mr. HIGGINS.—But why should we not look after our people abroad?

Mr. DEAKIN.—We have a right to expect similar treatment from the people of South Africa, and if we do not receive it, I should not disdain to avail myself of any opportunities to represent to them the real course of events in Australia, and the nature of its legislation.

### FEDERAL EXPENDITURE.

Mr. KING O'MALLEY. — Has the Prime Minister had his attention drawn to the following report in the *Age* of a speech by Mr. Graham, M.L.A.?

He believed that if a poll on Federation were taken in Victoria to-morrow there would be a greater majority for secession than there was at the referendum taken for Federation. He was hoping that something would come along to make the Federal Parliament mend its way. If not, he felt certain that something would arrive to dissolve the union. Already there were cries for secession in Queensland, Western Australia, and Tasmania. If the extravagance now going on in the Federal Parliament were not stopped he believed the public would rise and demand either a dissolution or an amendment of the Constitution.

Will the honorable and learned gentleman bring this honorable member to the bar of of the House to prove his statement about our extravagance? It seems to me that something should be done to make him prove it.

Mr. DEAKIN.—Any one who set out to prove such a statement would find that

he had undertaken a very large contract indeed. Another report of the honorable member's speech contains a passage which perhaps explains the comments which the honorable member for Darwin has read. In it he says that he had always been opposed to Federation, and did his best to prevent the passing of the Constitution Bill. Apparently he now seeks to justify that action.

Mr. KING O'MALLEY.—Has the Prime Minister noticed, in the *Launceston Daily Telegraph* of the 13th September, the statement of the Treasurer of Tasmania, that £1,500,000 has been spent by the Federation on non-productive works, which showed how money had been wasted? After having got off a lot of oratorical tripe, he is reported to have said—

A million and a half had been spent on non-reproductive works, which showed how money had been wasted. He felt, as Treasurer, that he was justified, to a certain extent, in using the language he did. It was time that leading statesmen should express themselves in strong terms.

Has the Prime Minister any reply to make to those statements?

Mr. DEAKIN.—The allusion to unproductive expenditure can refer only to expenditure on defence works, which have been carried out by the Commonwealth from revenue instead of with loan money. Technically, such works may be described as unproductive, but I think the people of Australia will justify the expenditure which has already taken place—I do not recollect the exact amount—and more if necessary. In reply to such comments as have just been read, I would refer our critics to the remarks of a most capable and disinterested judge, the right honorable member for Balaclava, who, in leaving Australia, gave it as his testimony that the most unreasonable and carping criticism to which he had been exposed was that of the State Treasurers.

### ADJOURNMENT (*Formal*).

#### IMMIGRATION RESTRICTION ACT.

Mr. SPEAKER.—I have received an intimation from the honorable member for Parramatta that he desires to move the adjournment of the House to discuss a definite matter of urgent public importance, viz., "The necessity for amending section 3, sub-section g, of the Immigration Restriction Act."

*Five honorable members having risen in their places—*

Question proposed.

Mr. JOSEPH COOK (Parramatta).—I wish to assure the Prime Minister that the action which I take this morning is taken in no captious or party spirit, but with a view to elicit from him, if possible, a definite statement of the intentions of the Government in regard to the amendment of the section known as the "six hatters" section. Nowadays we are all coming to recognise more and more our vulnerability to attack from the Eastern nations. The results of the recent Russo-Japanese war and the tremendous developments which have taken place of late years in Eastern countries show us that the possession of an empty continent, instead of being a source of unalloyed happiness, to us is a menace, and that unless we do something to fill Australia with a happy and prosperous people, our position in the eyes of the world will become more and more insecure as years go by. This is the first time during the five years that I have occupied a seat in this Chamber that I have moved the adjournment to discuss a matter of public policy, and I take this somewhat unusual course now in the performance of what I regard as an obligation to do all I can to elicit a definite statement from the Prime Minister on the important matter to which I wish to refer. Another consideration which has prompted me to this action is the very evident desire of the States to remedy the condition of affairs to which I have referred. The Governments of New South Wales and Victoria, in particular, are doing all they can to attract to these shores persons whom it is hoped will build up a prosperous and contented yeomanry here, but it is necessary that they shall have the support, both tacit and active, of the Commonwealth Government and Parliament. Unless we aid and buttress their efforts, I am afraid that all they can do will be of little avail. It is with a view to getting the Prime Minister to say whether his Government are definitely in harmony with the Governments of the States in this desire to populate Australia, and are ready to remove the harassing restrictions which now prevent the free ingress of free people of our own race, kith, and kin, that I have moved the adjournment.

Mr. FISHER.—Will the honorable member say what he thinks would be the proper thing to do?

Mr. JOSEPH COOK.—I am in accord with the honorable member's leader in this

matter, and before arguing in support of my position, I will quote what the honorable member for Bland has said. The late Minister of Trade and Customs, in speaking in this Chamber the other day, said that something should be done to amend the Immigration Restriction Act by removing needless restrictions, and at the same time safeguarding and securing the objects which were sought to be attained when the measure was under the consideration of Parliament. The honorable member for Bland replied that he thought they, the Labour Party, could meet the honorable member. The position of the honorable member for Gippsland was that to prevent men coming here under contract in a proper way was to prohibit all immigration, and the honorable member for Bland, in an interview published in a newspaper a little later, stated in reply to this criticism—

I would like to know exactly what Mr. McLean's ideas are. Of course, he did not go into details, and was not able to do so, but, so far as I am concerned, it seems to me that the position taken up by the Labour Party can be met if men are prevented from coming in under agreement to take the place of men who may be on strike, or from coming in at rates of wages below the standard ruling in Australia, or after having been deceived respecting the conditions obtaining in the Commonwealth.

I am prepared to go the full length which the honorable member would go. That, I take it, was the original intention of Parliament when the measure was under consideration. But paragraph g has been so framed that all persons who come here under contract, no matter what its terms, are shut out. Only lately, we had an instance of how the provision operates to the detriment and disadvantage of Australia, in the case of a groom, who came out here in charge of some horses. I do not ask for the repeal of this section, but for its amendment in the direction indicated. I think that we should recast it in such a way as to make it express exactly what we mean.

Mr. FISHER.—The honorable member wants to put a glove on the iron hand.

Mr. JOSEPH COOK.—I want the public to understand exactly what we mean, and to do away with a drag-net provision, which has effects far beyond the intentions of this Parliament. As it now stands, the Act prohibits the introduction of all contract labour, no matter how legitimate, or how desirable it may be, and I am calling attention to this fact, in the hope that

the defect may be speedily remedied. The original object of the provision was to deal justly with the matter of contract labour, with a view to preserving our present conditions of Australian life. I hope there is no man in this Chamber who wishes to degrade them. No man associated with me wishes to do so. I would not be any party to interfering with the high standard of civilized life, and industrial comfort which we have already established in Australia. At the same time, we need not put a bar sinister upon any man who takes the precaution before he comes here, to insure that he shall have work awaiting him upon his arrival. It is impossible to administer the Act as it ought to be administered, and consequently it is continually landing us in serious trouble. I do not think that all the difficulty has been due to the faulty construction of the Act. A great deal of it has been attributable to foolish administration. I would refer, by way of illustration, to the case of the six hatters. Any man who had desired to carry out the Act smoothly would have been able to obviate all the difficulties that arose in connexion with the introduction of the six hatters. All the arrangements that had to be made after the men arrived in Australia should have been provided for prior to their reaching their destination. For instance, the administrator for the time being ought to have known when these men reached their first point of contact with Australia, and if he had had any desire to work smoothly, he would have communicated with the employer concerned, instead of sitting supinely in his office and allowing matters to take their course. Events proved that there was no need for any interference with these men, and all trouble might have been avoided if the slightest common sense had been brought to bear. It was one of the boasts of Sir Edmund Barton, when the Bill was before the House, that it would be administered with common sense, but very little of that quality has been displayed. When the Bill was passing through the House, attention was directed to the harshness of some of its provisions, and it was pointed out that it might operate disadvantageously. Sir Edmund Barton's reply to these criticisms was:—

Governments must be credited with common-sense, or it is no use committing to them the administration of such measures at all. This amount of common-sense and discretion must be credited to the present Government and its successors, that they will discriminate between those

*Mr. Joseph Cook.*

cases in which desirable civilized immigrants are seeking admission, and cases in which those seek admission whose presence is baneful to us.

The Act is being so administered as to keep out desirable civilized immigrants—men of the very class that we most need in Australia. It is being so construed as to prevent these people from coming here except by evading the law. Take the case of the groom who recently came from England in charge of some horses. He had to get what has been described as a "ticket-of-leave."

*Mr. DEAKIN.*—He had not.

*Mr. JOSEPH COOK.*—I venture to say that he had.

*Mr. DEAKIN.*—He was not under the necessity to obtain a certificate.

*Mr. JOSEPH COOK.*—As a fact, he had a certificate with him. The certificate was delivered to him by the Agent-General of New South Wales, who was acting for the Federal Government. The Prime Minister has declared that there was no reason why the groom should obtain an exemption certificate, but when the honorable and learned member for Wannon asked him subsequently whether it was necessary that such certificates should be granted, he said "Yes, but they were not generally given to British people."

*Mr. DEAKIN.*—That is not what was said; I will explain the matter presently.

*Mr. JOSEPH COOK.*—The groom referred to, after having arrived here, had a letter addressed to him by the Prime Minister, under date 28th August, as follows:—

With reference to your visit to the Commonwealth with horses for a resident of New South Wales, in connexion with which a certificate of exemption was issued to you by the Acting Agent-General for New South Wales, I am directed to inform you that that document was issued under a misconception by Mr. Coghlan, who was informed on the 14th July last that there was no necessity for the issue of a certificate of exemption to you. There is, therefore, no restriction on your remaining in the Commonwealth should you desire to do so.

The groom makes this very sapient comment on the matter:—

If I made a mistake about my horses, I'd get the sack; why doesn't your Agent-General get the sack?

I venture to say that the Prime Minister has improperly blamed Mr. Coghlan, because this groom undoubtedly came within the restrictions imposed by the Act. He contracted in England to bring out certain horses, and he worked under that contract in Australia right up to the point of the

delivery of the horses on the station. He is still under contract, and he will remain so until he returns to England. If that case does not come within the restrictive provisions of the Act, I do not understand them. This groom contracted in England to perform manual labour, he was to work in Australia under that contract, and therefore Mr. Coghlan did right in issuing a certificate to him.

Mr. DEAKIN.—The honorable member has not stated that point correctly. I said that the Agent-Generals were wrong, because they had already been told that the certificates they were to give were not to be issued under the section referred to.

Mr. JOSEPH COOK.—That is an entirely new point. If the Prime Minister can make that clear, he will go far towards explaining the matter. Nothing appears in his letter with regard to that. He merely said that the exemption certificate was not necessary, and that the Agent-General for New South Wales had acted under a misapprehension. I contend that the groom, in coming out here under contract to deliver certain horses at a station in New South Wales, would have violated the Act unless he had obtained an exemption certificate. I would point out that if a man bring horses here, and turn them out free, we welcome the horses, but we will not have the man.

Mr. HUME COOK.—That is nonsense.

Mr. JOSEPH COOK.—I admit that it is nonsense, but it is a fact. The nonsense consists in such a thing being possible under the Act. In making aliens of those who belong to our own race over the seas, we are cutting right across the grain of our feelings of loyalty to the Empire. Whatever we may do with regard to people of other races—I do not think we need go so far as we are going with regard to many of them—we have no right, by statute, to write down as aliens men who belong to the same race as we do. We have had a man walking about Australia for weeks unable to move a foot from the fear that he might be cast into gaol. The fact that it is stated that the certificate was issued to the groom by the Agent-General of New South Wales under a misapprehension, shows that it is impossible to satisfactorily administer the Act, and we need not wonder that the mistakes committed are used to our detriment in places where the local circumstances are not known or understood. We know what occurred in connexion with

the six hatters case, and what use has been made of the facts. One Australian gentleman, who was recently in England, has stated that what was done in regard to the six hatters, has cost us £1,000,000 for each of the men concerned.

Mr. DEAKIN.—The misrepresentation on the subject may have done that.

Mr. JOSEPH COOK.—There has been no misrepresentation whatever.

Mr. MAUGER.—The gentleman referred to by the honorable member is an arch misrepresenter.

Mr. JOSEPH COOK.—It is amazing to hear the honorable member for Melbourne Ports criticising persons whom he is unable to understand. To hear the honorable member criticising the Rev. Dr. Fitchett is to listen to a pigmy criticising a giant. Before the honorable member indulges in expressions of condemnation and contempt in regard to Dr. Fitchett, he should read what he has said.

Mr. MALONEY.—We have read what he said.

Mr. CARPENTER.—He has grossly libelled Australia.

Mr. SPEAKER.—Order! I have hesitated to interrupt the honorable member for Parramatta, because I did not desire to encroach upon the time for which he is permitted to address the House. Honorable members are, however, indulging in so many interjections as to make a considerable inroad upon the time allowed under the Standing Orders to the honorable member addressing the House, and I would ask them not to continue their interruptions.

Mr. JOSEPH COOK.—I do not propose to take up more than the time allowed under the Standing Orders, because my purpose will have been accomplished if I obtain from the Prime Minister, as I hope to do, a definite statement with regard to the intentions of the Government. No man has made a more valiant defence of Australia than has Dr. Fitchett.

Mr. MAUGER.—Recently, but not at first.

Mr. JOSEPH COOK.—The honorable member cannot regard the statement that was made the other day as anything more than an apology for a gross administrative blunder, which has done more than anything else to damage the reputation of Australia. We ought to alter this section, so as to provide that there shall be no brand of "alien" upon any man of our own race who comes here under legitimate contract.

The groom and the six hatters, to whom reference has so frequently been made, came from the old country—from the land whence many of us sprang, and to which we are proud to belong. The people there acknowledge the same King that we do; they have the same literature, the same history is behind them, and they believe in the same religion. Racial sympathy is the very essence of loyalty, and therefore I say that we ought to take no action which will make any of our kith and kin from over the sea aliens when they tread upon Australian shores. Recently in this Parliament we have been taking action in the direction of coming into closer relations with the rest of the Empire. What other meaning has the new contract for mail services, as to which we have just increased our subsidy by £50,000 a year? Need I remind honorable members that we have also increased our subsidy to the Imperial Navy by more than £60,000 a year, and that the Prime Minister never ceases in his advocacy of preferential trade as a means of drawing the Empire closer together? Only lately we have shown what we think of the Empire as a whole by fighting for it upon distant shores. Surely in an Empire which is good enough to fight for—an Empire which we should do our best to make more unified and homogeneous, more cohesive, strong, and free—we should do nothing which will brand any citizen of it as an alien when he happens to move from a particular locality to another; that, however, is the effect of section 3 of the Immigration Restriction Act.

Mr. WATSON.—Where does it do that?

Mr. JOSEPH COOK.—I say that what is known as the contract section does that. Under that provision we regard a man who comes to Australia under contract as an alien, and we say that he must go to prison if he does not clear out.

Mr. FRAZER.—We say that the moment he breaks his bond he may enter.

Mr. JOSEPH COOK.—The more I look at the section the more it seems to me to cut right across the doctrine of personal rights, which has been one of the choicest heritages of the British race for a thousand years past. The sooner we take from it that sinister aspect the better it will be for us. We have here an empty continent, and if we wish Australia to be an outpost of the Empire we can only achieve our object by settling it with people who will be so contented with their con-

ditions as to cause them to spring to its defence the moment it is menaced from outside. We may build Tariff walls, education walls, and immigration restriction walls; but we shall at last have to deal with the sullen, hungry hordes of people outside. Unless we are able to face them with force at the critical time, all that we can do will be of little avail when our hour of trial comes. I am afraid that in a young country like Australia, isolated as we are from the rest of the world, we are apt to get lulled into a condition of false security, and to allow our views to get out of perspective. Only the other day I read in the *Contemporary Review* an article upon the act of death. A man who was dying was depicted as saying that if he had a pen he would write how pleasant and easy a thing it was to die. I venture to say that it may be just as easy and pleasant a thing for a nation to die as for an individual, and that when we think we are most secure—when we are wrapped up in our self-satisfaction—then it is that our danger becomes the keenest.

Mr. BRUCE SMITH.—This sounds like a speech which I delivered in 1901.

Mr. JOSEPH COOK.—I should be very glad to hear the honorable and learned member in 1905. That I have dared to tread in the footsteps of my honorable and learned friend may be regarded by some as a serious charge to make, but I hope that I shall continue to tread in his footsteps when they leave a print which is so plainly visible. We need to recognise in these new countries, at any rate, that there is one law for nations just as there is for individuals—that the guarantee of individual well-being, of individual security, and individual welfare, consists in the observance of the law of self-sacrifice; nations, as well as individuals, must subscribe to that law. Therefore, we want to so arrange our Statutes as to make it possible for us to exercise the utmost possible self-restraint in our dealings with our own race and kin, so that we may build up a united and consolidated Empire. Upon the present occasion there need be no trouble in accomplishing the object at which we aim. The honorable member for Bland is quite willing that the requisite alterations in the law should be made. So is the honorable and learned member for West Sydney, who has stated in a nutshell all that I can say now.

In an interview which recently appeared in the press, he said that—

He had no personal objections to an amending Act confining its operation to instances where it was intended to meet the cases of men brought here during a strike to take the places of other workers. In some instances—

and here is my reply to the statement of the honorable member for Bourke—

In some instances, the Department has administered the Act foolishly, and against the intentions of the framers of the measure.

That is all I wish to say in criticism of the administration of the Act by the Government. I appeal to the Prime Minister to make a clear and definite statement to Australia as to whether the Government will repeal or amend the section to which I have referred, and by "repealing" it, I mean so amending it as to substitute a provision upon the lines I have indicated. If he proposes to do that, I trust that he will let us know the intentions of the Government at the earliest possible moment.

Mr. DEAKIN (Ballarat—Minister of External Affairs).—In order that I may not outrun the time allotted to me without omitting essentials, it will be necessary for me to concentrate the remarks which I have to make, so that I trust honorable members will supply for themselves the necessary development of anything I may say. For a moment, I am compelled to hark back to the circumstances under which the Immigration Restriction Act was passed, and to the purposes for which it was enacted. It was one of the first and strongest steps towards the establishment of a White Australia, the common ambition of all parties, and of all persons in the Commonwealth. In order to insure the maintenance of a White Australia, a Bill was submitted for the purpose of enabling us to restrict immigration, the intention being chiefly—I think I may say wholly—to exclude immigration which would not make Australia more white, or leave it as white as it was. In the course of the consideration of that measure, an amendment was introduced for quite another purpose—an industrial purpose—in order to prevent the standard of living in Australia being unduly, or suddenly, or improperly lowered by the influx, even of people with a white skin. So far as I can remember, almost the only objection taken to that proposal at the time, arose from the fact that it was sought to be introduced into a Bill which had been drafted for another purpose, and that this was, however

defensible it might be on other grounds, an inconvenient place to insert it. That was my own view, and experience has justified it. To that circumstance a good deal of misconception in respect of the Australian attitude towards immigration is undoubtedly due. But that was only one cause of misconstruction. The other cause lay in the fact that we found ourselves unable to put in plain English, upon the face of this Statute, what its direct purpose was. Our obligations to the mother country, to the relations which she had formed with other peoples, together with the very natural and proper desire not to appear to reflect upon other races merely because of a difference in colour—all these considerations moved us to make a fight in order that we should not be compelled to place upon the statute-book a prohibition for colour alone. When my honorable friend, the deputy-leader of the Opposition, speaks of the loyalty which we feel, and ought to feel in matters of this kind, which have an international significance, let me remind him that it was members upon this side of the House who loyally sacrificed their own personal wishes in order to place upon the statute-book an Immigration Restriction Act which should not contain the objectionable prohibition in regard to colour. From the first, this Act was loaded down by two causes of misconception abroad, one because we were unable to state in so many words what its original purpose was, and the other because an industrial proposal—excellent in its way—was sandwiched into a Bill of quite another character. The education test and the contract labour clause, together, misled critics at Home, especially when they were continually misrepresented here. I had experience of this in 1902 and 1903, and when I returned to office this year, did not wait for any impulse from outside, but decided, with my colleagues, that the time had come when we needed to review parts of this measure. The speech of the honorable member for Parramatta has related chiefly to section 3 of the Act. He confined himself to the discussion of sub-section g, which relates to the admission of immigrants under contract. Apart from that, I had become aware that it is not only that sub-section which requires reconsideration, but other portions of the same section, and other sections, partly because, in the actual work of administration, obscurities have been discovered and inconveniences found, and partly because there are some large questions

of policy which require to be taken into account. These, however, I do not propose to allude to this morning, because the honorable member for Parramatta has concentrated his criticism upon one sub-section. I pass them by, merely saying, in passing, that it appears to me that this question of Immigration Restriction can only be reasonably and fully considered in relation to the larger question of which it forms a part, and that is how to obtain desirable immigrants. Those who accept the doctrine of a White Australia, as I have often said, must repudiate the suggestion that it means an empty Australia. It is impossible for Australia to be made or kept white except by means of a white people planted wherever white men can live and work with profit. We believe that is possible in most parts of the Continent—every one believes that it relates to all but a fraction of it—and this Government intends to exhaust every means of extending and multiplying white settlement. By that means only can Australia be kept white. By that means only, as the honorable member for Parramatta has said, can it be made safe from the aggression of those to exclude whom the Immigration Restriction Act was primarily passed. It was passed to restrict anything that would prevent our obtaining a white Australia, and it has to be reconsidered in the light of the great purpose that this exclusion implies—the purpose of obtaining a sufficient immigration to this country to make Australia white to-day and for all time. Honorable members will recognise that the most familiar, and very often the most desirable, class of immigration is that which is drawn thither by the attractions of the country, and comes absolutely free. The whole of the immigration to America is of that class, because immigrants under contract are forbidden. Even if they were not prohibited, however, it would still be the fact that 95 per cent., and perhaps more, of the immigration that would be sought for, and would come, would be free. When my honorable friend said in his earlier remarks that we were imposing a restriction upon free immigrants, I thought that he would explain his meaning, but probably the short time at his disposal prevented his doing so. The Immigration Restriction Act imposes no restriction upon white people, who are free to make their choice of a new country, and free to enter

*Mr. Deakin.*

any occupation when they come to it. I premise that in order to avoid misunderstanding.

Mr. JOSEPH COOK.—The honorable and learned member had better do so.

Mr. DUGALD THOMSON.—Men who come out under engagement are not bondsmen.

Mr. DEAKIN.—They are under bond to work for a certain time, and for certain rates of pay.

Mr. DUGALD THOMSON.—So is every man.

Mr. DEAKIN.—I am not going to object to phrases. I wish, in the first instance, to premise this in order to give due proportion to other conditions. If, in speaking of immigration, and the restriction of immigration, we confined our consideration to paragraph g of section 3, we should fall into the misapprehension that might be formed by those who read the speech delivered by the honorable member for Parramatta, that the only immigration we expect, or can get, is immigration under contract. That is, of course, wholly erroneous. I agree that Australia's need of population is so great that we ought not to obstruct contract labour any more than free labour, if we can avoid doing so. In other words, paragraph g requires reconsideration. As a matter of fact, it has been under consideration by the Government. I was dealing with the whole question before I had been a month in office, and before it had been mentioned in the House or outside. I entered into a correspondence with the Premiers of the States, which afterwards developed into a special correspondence with the Premier of New South Wales, which involved the reconsideration of this clause. If time permits, the House will be given an opportunity to amend it in a measure that I hope to submit before the prorogation. That, however, will depend on the completeness of our information on certain points relating not merely to matters of administration—with some of which I am already dealing—but to other questions respecting which I am awaiting advices from those who are better informed than myself. When honorable members carefully look at paragraph g, which deals with only a small part of the immigration we are likely to get, and consider the general comments that have been made upon it, they will find—as the Government have found—that its amendment is not so simple as it appears on the surface. When it was originally proposed, it was defended because it was



thought undesirable that men employed in Australia should be displaced during industrial disputes by the importation of labour from abroad. That was willingly agreed to. But have honorable members yet considered how they would frame a new clause dealing with the matter, when we already have in operation in New South Wales and Western Australia, Acts whose purpose is to abolish the very strikes which it was originally intended should occasion the exercise of this prohibition.

Mr. BRUCE SMITH.—They have not been effectual.

Mr. DEAKIN.—I am not prepared to admit that. The honorable and learned member is right that the first application of a new law to new circumstances cannot operate with the precision which I trust will yet be secured; but at all events under these laws strikes are prohibited.

Mr. LONSDALE.—They are not.

Mr. DEAKIN.—The honorable member is technically right; but I am speaking in a general sense, and am sure the House understands me. We must not overlook the existence of laws dealing with industrial disputes, and designed to prevent strikes. Their existence means the re-shaping of the contract section of the Immigration Restriction Act in a different fashion from that which would have sufficed before we had such laws in force, especially as they exist in some of the States and not in others, and operate under different conditions. Although I have given some attention to the drafting of the necessary amendment of paragraph g, there is this preliminary difficulty which the professional members of the House will recognise as possessing a certain complexity. Then, again, it is said that the objection is to the introduction of men under contract to work for less than the ruling rate of wages. We have to recollect that there is no one ruling Australian rate of wages in respect to any class of skilled or unskilled labour. Take the wages in parts of Western Australia, Victoria, New South Wales, and Queensland, and you will find that they are governed largely by the cost of living, the climatic conditions which prevail, and other circumstances. Any provision which aims at carrying out the reasonable intention of the House to prevent the introduction of underpaid labour will require careful consideration. The drafting of an amendment to give effect to this desire without discriminating between States will prove a more difficult task than is imagined

by those who may not have fully considered the matter. The next point relates simply to the matter of deception, and there no difficulty need be expected. I conclude by saying that it is not a simple matter, even for the Parliamentary draftsman to deal with paragraph g, from the Australian stand-point, and having regard to Australian labour legislation. Time will not permit of my alluding to certain incidents of the past, which I hope are thoroughly understood here. The honorable member who preceded me referred to the incident of the six hatters, and very properly, in the first instance, put the blame where it rested. The employer who made the agreement in question did not give any intimation to the Commonwealth authorities before, or even after, he had made it. He allowed us accidentally to discover the men on a steamer, and about to land under unknown obligations. This called for immediate action. The Minister had no knowledge of the circumstances of the trade, the wages paid, or anything else. That compelled an intervention which should not have been forced upon us by a citizen who was acquainted with the law he had to obey. It was the unfortunate delay in dealing with the men, that arose out of his want of notice, that gave rise to the whole of the misconception associated with that case.

Mr. SPEAKER. — The time allotted under the Standing Orders to the honorable and learned member has expired. Is it his desire to continue?

Mr. DEAKIN.—It is, Mr. Speaker.

Mr. SPEAKER.—Is it the pleasure of the House that the honorable and learned gentleman have leave to continue?

HONORABLE MEMBERS.—Hear, hear.

Mr. DEAKIN.—I am obliged to honorable members, but shall occupy their attention for only a few minutes, as I do not wish to trespass upon the time at their disposal. The case of the groom was that he came to Australia to deliver horses. My honorable friend insists that this means that he came here under contract to perform manual labour. If it were examined with the "double-million magnifying glass" of which Sam Weller speaks, such a contention might be admitted. But it would be unreasonable—foreign, not only to the intention of the House when passing the measure, but to the purpose of the Act itself. Proof that I held this view may be found in the fact that before I knew the groom had left England—before

attention had been or could have been called to the case, as he had not arrived in Australia—I found the papers among the first submitted to me on taking office, and at once expressed the opinion that his coming to Australia would not be the entrance of a person into the Commonwealth to perform manual labour under contract within the meaning of paragraph g. I wrote to that effect to the Agent-General for New South Wales before the matter had reached the public ear. So far as I knew, it would never become public. I understood that there would be time for my reply to reach the Agent-General before the groom left England, and informed him that he had no need to issue an exemption certificate.

Mr. JOSEPH COOK.—Does the honorable and learned gentleman really say that it was not a contract to perform manual labour?

Mr. DEAKIN.—Not in the circumstances. *De minimis non curat lex*. The mere fact that one groom came out in those circumstances could not be said to constitute a breach of the section. The honorable member urged me to take a commonsense view of this law, and to carefully consider its purpose. I did so when, without a moment's hesitation, I said that the coming of this groom to Australia did not bring him within the scope of the Act. All the Agents-General were informed some time ago that they could issue certificates of exemption to persons who came within the definition of "prohibited immigrants" under the Act.

Mr. BRUCE SMITH.—That was done by the Reid-McLean Government.

Mr. DEAKIN.—It was long before the Reid-McLean Government came into office.

Mr. BRUCE SMITH.—It was only notified in the press when that Administration was in office.

Mr. WATSON.—Sir Horace Tozer and his servant came out before then.

Mr. DEAKIN.—The instruction was given long before the late Government took office, and the exemptions were intended to apply only to persons of colour. When Sir Horace Tozer wrote to the Barton Government—and this proves the correctness of my statement as to the date when the instruction as to exemption certificates was first given—he was informed by Sir Edmund Barton, who was then Minister of External Affairs, that the grant to the Agents-General of the power to issue certificates of exemption was intended to apply only to persons who, on account

of their race, would be liable to be made prohibited immigrants under the Act. The Agents-General were never given authority to issue certificates of exemption to persons coming here under contract, and never asked for it. As soon as I learned that they were doing so, they were informed that it was unnecessary.

Mr. WATSON.—Mr. Coghlan was not in London when that instruction was sent, so that he is to be excused.

Mr. DEAKIN.—When I said that Mr. Coghlan had made a mistake, I did not intend in the least degree to reflect upon him. He had then taken office for the first time, and was either misinformed by those under him or by his brother Agents-General. But when the honorable and learned member for Wannon put the broad question whether persons coming out under contract needed certificates of exemption, I said that they did under the law. I said that they should forward their contracts beforehand to the Department, in order that they might be examined; otherwise, if they came out and asked for a certificate of exemption, they would obtain one at any time if it was justified. I do not wish to detain the House further, but trust that I have clearly indicated the intentions of the Government. We are now reconsidering the Act in the light of the experience gained by its administration, especially with regard to paragraph g, and the questions of policy to which I have generally alluded. But we are scanning it mainly with a view to the encouragement of the desirable immigrants we require to make and keep Australia white. The offer received yesterday from General Booth, the head of the Salvation Army, to send here 5,000 reputable families, whose characters are without blemish, and who are not paupers or destitute—which will be about the average number available among those who will find the hardships of the coming winter in Great Britain too bitter—provides a touchstone for ascertaining the opinion of this country on the subject of immigration. The Immigration Restriction Act does not prohibit the introduction of such people. It is not intended that they shall be sent out under contract. They are British subjects, and will be welcome. But what will bring them, and the temptation without which others cannot be got to come, is something which it is not within the Federal power to offer—the opportunity to get land on which to

make homes. It is the land laws of Australia that are the real obstacles to immigration. Why is the population of Victoria declining? Because the sons of our farmers have to hive off to Queensland to find homes there, although they have the first right to call on us to make provision for their future. Why do people drift to Canada and America instead of coming to Australia, if it is not because of our comparatively complicated and out-of-date land laws? It is the land question that provides the key to the immigration question. Queensland and Western Australia are making provision first for their own people, and then for people from abroad. They do well, but if other States are losing men, it is because their land laws have remained practically unamended, some of them for a quarter of a century. In the older States one hears of farmers who are starved out before they can put their families upon the land. If any State continues to lose population, it is because it does not give sufficient encouragement for settlement. I do not pretend that when the States have amended their land laws all that is necessary will have been done. All of them are large enough to carry many hundreds of suitable settlers. When the land has been made freely available, the Commonwealth must provide employment to keep our people occupied. When Australia provides free land for the people, and protection for all producers, we shall have solved the population question. Only reasonable restrictions will be necessary to prevent the immigration of the unsifted ne'er-do-wells of other countries, against the introduction of whom both Canada and the United States have legislated. The derelicts even of Europe would not add to the health, wealth, or strength of our community. Our population should be multiplied as fast as possible, according to our ability to assimilate desirable immigrants. Only by amending the land laws of the States and by giving protection to enable our raw products to be manufactured into the goods necessary for the use of our people, can we solve this problem. The magnitude of the subject, and its vital importance to Australia, must justify me for having trespassed so long on the time of the House.

Mr. BRUCE SMITH (Parkes).—The heroic tone adopted by the Prime Minister is about as transparent a piece of affectation as I have ever heard in this Chamber.

One would think that he has for years past been clamouring for some great right, or endeavouring to vindicate some great claim, and that now, at length, he has realized his desires. With every wish not to stir up unpleasantness, I am bound to say that I think he is one of the arch-conspirators in regard to the abuses of the Immigration Restriction Act which we have had. He has been in office, and has held the reins of power, for almost four out of the five years during which the States have been federated, without moving a hand to mitigate the abuses which have now become so tremendous that even those who helped him to bring them about are forced to confess the blunder which they have made. The position of this country, as made plain to the whole world, is a humiliating one. I do not desire to claim credit for having predicted this result when I spoke in 1901, but it seems to me an extraordinary instance of the irony of fate that the honorable and learned member who now almost aggressively asseverates the need of Australia for a white population, during his four years of office failed even to attempt to mitigate the Act. When the measure was before this House, and the honorable member for North Sydney wished to substitute the word "prescribed" for the word "dictated," I pointed out to the Prime Minister of the day, Sir Edmund Barton, that the effect of the wording proposed by the Government would be that a European coming to this country could be required to pass an examination in a language other than his own. I pointed out to him that the clause as framed would enable the Executive of the day to require a Frenchman to pass an examination in Russian, and his reply was, "No Ministry would dare to do such a thing."

Mr. DEAKIN.—And no Ministry has asked a Frenchman to pass an examination in Russian.

Mr. BRUCE SMITH. — Is the Prime Minister going to quibble in that way? Did we not have a case in which a German—

Mr. WATSON.—A convicted thief, and a coloured man.

Mr. BRUCE SMITH.—He was not excluded on those grounds. He offered to pass an examination in three languages.

Mr. CULPIN.—What was his nationality?

Mr. WATSON.—He was an outcast and a thief, but apparently, in the opinion of the

honorable and learned member for Parkes, a desirable immigrant.

Mr. BRUCE SMITH.—He was a German, and offered to pass an examination in German, French, or English; but under the Act, of which I feel ashamed, he was asked to pass an examination in Greek. Then a Portuguese sailor—

Mr. DEAKIN.—A Cape Verde Islander, also a coloured man.

Mr. BRUCE SMITH.—A Portuguese sailor landed at Newcastle, and was prepared to pass an examination in his own language, but instead of being allowed to do so he was examined in English, and on failing to pass was sentenced to six months' hard labour.

Mr. DEAKIN.—Did any one ever pretend that a knowledge of languages was what was sought in these cases?

Mr. BRUCE SMITH.—The honorable and learned gentleman has heard of this case on two former occasions, but the only reply he could make was that the man was a Cape Verde Islander, and not a Portuguese. I have already pointed out to him that the Cape Verde Islands are a dependency of Portugal, and that the people of those islands are of the Portuguese race. The fact which I wish to again place before the House, and of which the country should be ashamed, is that this Portuguese colonist was not allowed to enter Australia, as he could not pass an examination in a language other than his own. But I will pass away from the application of the law to European immigrants to the manner in which it has been administered in regard to the admission of persons of our own race. That is sufficiently exemplified by the attitude which the Prime Minister has adopted towards the British immigrants proposed to be introduced by General Booth. That gentleman has had to come from England to consult the Prime Minister of the Commonwealth and the Premiers of the States to ascertain if he could bring English families into what are English Colonies. Now we find that the Prime Minister did not settle the question during his interview with General Booth. He has within the last two or three days received a communication from General Booth on the subject; but, instead of sending back a cablegram saying that we should welcome these people, because they are our countrymen—a course which Australia would have hailed with satisfaction—he enters into communication with the Governments of the

States to learn if we can accommodate them.

Mr. DEAKIN.—Because the Commonwealth Government has no control over the public lands of Australia.

Mr. BRUCE SMITH.—The Prime Minister very much overrates the difficulties of the situation. When at the end of his somewhat lengthy speech, he said that he hoped that he had made clear to the House what he intends to do, I was forced to admit to myself, although I had listened, as the Americans say, with my ears buttoned back, that I did not know what his intention is. If those who sit here and patiently and carefully listen to what the honorable and learned member says, cannot clearly understand his intentions, or the nature of the amendment of the law which he proposes, the people outside will not understand his attitude. The difficulties from both the legislative and legal point of view have been very much exaggerated. Honorable members may have forgotten the exact wording of the Immigration Restriction Act. Honorable members who look at the Act will see that the section has a number of sub-heads, defining prohibited immigrants. There is also a provision which reads as follows:—

But the following are excepted—

- (h) any person possessed of a certificate of exemption in force, for the time being, in the form in the schedule signed by the Minister, or by any officer appointed under this Act, whether within or without the Commonwealth.

Then at the end of the Act the form of certificate is given as follows:—

This is to certify that \_\_\_\_\_ of \_\_\_\_\_ aged \_\_\_\_\_ years, a [insert trade, calling, or other description], is exempted for a period of \_\_\_\_\_ from the date hereof, from the provisions of the Immigration Restriction Act 1901.

It will be seen that under this certificate it will be competent for the Minister, or any one here or abroad authorized by him, to issue a certificate for 999 years. The Prime Minister has exaggerated unnecessarily the alterations of the law required with regard to British immigrants. The Act contains a category of the different kinds of prohibited immigrants, and then there is an addendum by which all the restrictive provisions may be overcome by the Minister, or some one authorized by him, issuing a certificate of exemption at any time, under any circumstances, and for whatever period he chooses. There is nothing in the Act to show, as the Prime Min-

ister has stated, that it was intended to apply to coloured persons only. It applies to everybody, but it would be possible under the Act to authorize the High Commissioner for the Commonwealth, or the Agents-General of the States, or any stranger, to issue certificates which would permit any persons to come to Australia. We do not want to introduce feeling into a discussion of this kind, and I object very much to indulgence in heroics, particularly on the part of the man who has done all the harm. It is very satisfactory to think that, after four years' experience, Australia has begun to see that her somewhat hysterical policy is likely to prove so injurious that an entire change is necessary. Instead of prohibiting people from coming here, it is now considered necessary to offer them inducements to come. I think there is a general feeling among honorable members that it is not desirable to hark back and say who was right or who was wrong; and we certainly do not want any forensic tricks in this House. We do not want the man who has been doing wrong for four years to come forward and assume the part of one who has been injured, and by inference condemn others who are in no way responsible for the trouble which has been brought about.

Mr. DEAKIN (Ballarat—Minister of External Affairs).—By way of personal explanation, let me say that I was a private member of Parliament at the time of General Booth's visit to Australia. I had the pleasure of meeting him several times, and am in a position to say that his visit to Australia had no reference to Commonwealth legislation. He came here to obtain land for the people whom he desired to introduce, and he saw the States Premiers with reference to that matter.

Mr. BRUCE SMITH.—The Minister did not show him how he could introduce his people here.

Mr. DEAKIN.—There was no need, because they could, and can, come in without any question. When General Booth cabled to me yesterday I, with a full knowledge of his wishes, sent on the message to those who have the control of the land required, namely, the Premiers of the States. The message had nothing whatever to do with the Commonwealth Restriction Act in any way.

Mr. WATSON (Bland).—It seems to me that, in view of the statements we have so frequently heard in this House and in other

parts of the Commonwealth, it is necessary to look into this question. It is a curious fact, as has been noted recently by Mr. Coghlan, that we in Australia seem to suffer from a form of political disease that is absent in practically every other British community. Whilst Canada has stringent laws in operation as to the admission of immigrants, and enforces them with a severity that has never been attempted in Australia—

Mr. BRUCE SMITH.—£1 per head is being paid for immigrants.

Mr. WATSON.—The honorable and learned member knows perfectly well that that has no reference to immigrants under contract. His statement is only on a par with his usual misrepresentations. Whilst the exclusion laws in Canada are administered with a severity that has never been imitated here, not one word of calumny has been circulated in England, because the people of the Dominion, while they may have their differences with regard to political issues, are united in their efforts to put the best side of Canadian politics and actions before the world. Here, on the other hand, there seems to have been a concerted movement on the part of honorable members in Opposition, and their press supporters outside, to misrepresent every action of the Federal Parliament or of the Federal administrators. This has been done purely for party purposes, and has unfortunately created in the motherland an utterly wrong impression regarding Australia.

Mr. BAMFORD.—If there had not been any Labour members in this House we should not have heard anything about it.

Mr. WATSON.—As it happens, an immigration restriction law would have been passed even if there had been no Labour Party in Federal politics. No objection to the Bill was raised by any section of the House.

Mr. DUGALD THOMSON.—On the ground that we should trust the Minister.

Mr. WATSON.—Speaking generally, the administration of the Act has not been bad. In regard to the case of the six hatters, the right honorable member for East Sydney recently repeated the ridiculous assertion of Dr. Fitchett, who has done his utmost to vilify Australian legislation, to the effect that each of these six hatters had cost the Commonwealth £1,000,000. A more ridiculous statement it would be difficult to conceive. With

regard to the case of the six hatters, the blame rested solely on the shoulders of Mr. Anderson, the manufacturer who was responsible for their introduction to Australia. As soon as Mr. Anderson adopted the course prescribed by law, and the administrator of the Act had an opportunity to investigate the contract under which it was sought to introduce the men, the hatters were allowed to land. Surely no one here proposes to allow people to come into Australia under contract without reserving to some responsible person, on behalf of the Commonwealth, the right to investigate the terms and conditions of their contract. I am sure that such a proposal would not meet with the approval of this House, or of the people of Australia. Mr. Anderson, by refraining from making an application as required by the Act, would have prevented the Minister from even going the length of inquiring as to the terms and conditions under which the men were being introduced.

Mr. JOSEPH COOK.—My contention is that the Minister might have avoided all the trouble.

Mr. WATSON.—I have no doubt that the honorable member, when he takes his seat upon the Treasury benches, will prove to be a Heaven-sent administrator. Personally, I do not see that anything else could have been done. Mr. Anderson, although he was made fully acquainted with the requirements of the law, refused to make any application until a week had elapsed; and I do not see how the Minister could have allowed the men to land whilst the employer declined to comply with the law.

Mr. JOSEPH COOK.—The honorable member knows very well that Mr. Anderson got his back up when he found that the men were blocked.

Mr. WATSON.—He ought to have adopted the course which was prescribed by the law, and fully explained to him at an early stage of the trouble. He thus had an opportunity to correct a pardonable error by applying to the Minister for permission to land the men. The misrepresentation and vilification of the Commonwealth has been going on for the last three or four years. Men in responsible positions have deliberately, or at any rate, with every appearance of deliberation, misrepresented the actual facts. Only the other day, the honorable member for Oxley stated unblushingly that he had written to a certain man in Wales—a Welshman—stating that if he

came to Australia he would be subjected to an examination, probably in some language other than his own. Surely there is nothing in the Act to justify—to put it at its best—ignorance of that character. We cannot wonder that people outside of Australia misunderstand the object of our legislation, when a gentleman who has been a member of this Parliament from its inception, and who voted in favour of the Bill, makes a statement of that character, with the chance that it will be published broadcast over the authoritative name of a member of this Parliament. Then we have the honorable and learned member for Parkes, who says that he takes no credit for the change of attitude that has been brought about. I think he speaks with too much modesty, because he has persistently vilified and misrepresented the actions of the Administration.

Mr. JOSEPH COOK.—Every one is a vilifier who differs from the honorable member.

Mr. WATSON.—The honorable member will not contend that Mr. Coghlan had any political purpose to serve when he directed attention to the absolute vilification and misrepresentation of Australia that had been going on. We had an instance to-day, in the reference to General Booth which was made by the honorable and learned member for Parkes, of the insidious misrepresentation which has been going on in this connexion for years past. Surely the honorable and learned member knows well the conditions under which General Booth came to Australia. He came primarily to attend to the affairs of his religious organization. We all know what he said when he was here recently. He came to Australia primarily to attend to the affairs of the Salvation Army, and incidentally he desired to know whether land could be obtained for respectable families whom he might be able to send here. Nobody knows better than a constitutional student like the honorable and learned member for Parkes, that the question of affording facilities to people to get upon the land has nothing whatever to do with the Commonwealth Government or with the Immigration Restriction Act. Yet he declared that the fact that General Booth had to come to Australia to consult the Prime Minister before he could introduce British subjects into a British possession, was proof of the effect of our legislation. I say that his statement constitutes

a most damnable misrepresentation, and if the honorable and learned member did not intend that it should be repeated outside as evidence of what the Act compels, he should at once withdraw it.

Mr. BRUCE SMITH.—Unfortunately, we have no record of the conversations which took place between the Prime Minister and General Booth.

Mr. WATSON.—That is a very lame excuse. The honorable and learned member knows well that there is not one section in the Commonwealth law which would prevent a family sent out by General Booth from taking up any land in Australia with which the States Governments might be able to supply them.

Mr. BRUCE SMITH.—If they were under contract they would be denied admission.

Mr. WATSON.—Surely the honorable and learned member knows that General Booth made no suggestion as to sending men out under contract. His whole scheme was intended to assist people of good character to make homes for themselves in a new land, and was not designed to make a profit out of them.

Mr. JOSEPH COOK.—Suppose that some of these men were to bring employés with them under contract.

Mr. DEAKIN.—General Booth never raised such a point.

Mr. WATSON.—The honorable member for Parramatta makes valiant efforts to come to the assistance of his newly-found lieutenant.

Mr. JOSEPH COOK.—I am pointing out some of the considerations that the honorable member skips all the time.

Mr. WATSON.—The consideration suggested by the honorable member is one which, for the sake of his intelligence, he might skip with advantage. I say that the remarks of the honorable and learned member for Parkes are only an example of what Australia has suffered from for years past in connexion with this kind of legislation. For mere party purposes, a number of gentlemen, both inside and outside of this Parliament, have indulged in absolute misrepresentation as to the intention and effect of our legislation. I have a greater regard for what I believe to be the interests of Australia than I have for any mere appearance of political consistency on my part, and consequently I am prepared to join with all sections of the House in an effort to make the terms of the Immigration Restriction Act so clear that he who runs

may read, and in order that there may be no further excuse for misrepresentation or misunderstanding.

Mr. BRUCE SMITH.—The meaning of its provisions is already clear enough. The honorable member would like to go back upon some of his previous actions.

Sir JOHN FORREST.—That remark is not a generous one.

Mr. BRUCE SMITH.—It is quite as generous as is the speech of the honorable member for Bland.

Mr. WATSON.—I do not expect generosity in this connexion. A little wholesome truth is not altogether astray in a matter of this sort.

Mr. JOSEPH COOK.—Not if it is truth.

Mr. SPEAKER. — I have already pointed out this morning that it is distinctly unfair for honorable members by interjection to take up the time of the honorable member who is in possession of the Chair, and I am sure that no honorable member wishes to be unfair. I do hope, therefore, that these interjections will cease.

Mr. WATSON.—It has been insinuated that my statements are not justified by any misrepresentation which has been indulged in. I contend that the continued references to Stelling—a half-caste and a convicted thief, who attempted to enter the Commonwealth—as an instance of a European who was subjected to a test in a language other than his own, are distinctly misrepresentations. The man was an undesirable immigrant, who had been convicted of the paltriest and meanest kind of theft. There is no backing down on my part so far as any essential in the contract provision of the Immigration Restriction Act is concerned. When I submitted it in 1902, I stated that its object was to insure that we should not subject our own people to the competition of those who came to Australia bound and shackled, or to the competition of those from abroad who have been utterly deceived as to the conditions obtaining here.

Mr. BRUCE SMITH.—Under the Act a contract would not be binding under those circumstances. It would be made void by another section.

Mr. WATSON.—The honorable and learned member should know from his experience of industrial matters that it is not a good thing to have a number of destitute men suddenly dumped down at a port in Australia, even though the contracts into which they originally entered have been rendered void. It is not

sufficient to nullify a contract, and to leave men stranded, and at the mercy of those with whom they had originally entered into an agreement. In view of the urgent need that there is in Australia for immigration, and the fact that the satisfaction of that need depends in my opinion—as in that of the Prime Minister—upon land being made available for settlement by the various States Governments, I have been impressed with the degree to which these slanders have permeated the press of Great Britain. Within the last year I have taken up newspaper after newspaper, in which I have found the statement repeated under big headings, with a view to showing the exclusive policy upon which Australia is said to have entered.

Mr. HUME COOK.—They were Conservative newspapers.

Mr. WATSON.—Not all of them. I am speaking of journals which have been honestly misled as to the condition of affairs existing here. In view of these facts, I am quite prepared to assist in putting the law upon such a footing that there can be no excuse for anybody not understanding our aims, and how far we desire to encourage people to come here.

Mr. DUGALD THOMSON (North Sydney).—The honorable member for Bland has taken the extraordinary course of complaining about vilification, and yet has himself become a vilifier. He charged members of the Opposition with having engaged in a crusade for the vilification of Australia, and declared that they were responsible for the criticisms, whether fair or unfair—and some of them, I admit, are unfair—which have appeared in the British press concerning our conditions and the administration of our laws.

Mr. WATSON.—I certainly made that charge in respect of some members of the Opposition.

Mr. DUGALD THOMSON.—I say that the honorable member's statement is absolutely inaccurate.

Mr. SPEAKER.—I have already twice called attention to the fact that honorable members by interjection are taking up the time allotted to the honorable member who is addressing the House. As honorable members have not yet recognised my request that fair play should be extended to the various speakers. I shall be obliged to take stronger action if interjections are persisted in.

Mr. DUGALD THOMSON.—I repeat that the statement of the honorable member for Bland is absolutely inaccurate, and I would use a stronger word in regard to it if the rules of Parliament allowed me to do so. In the very vague and uncertain statement which the Prime Minister made in reply to the deputy leader of the Opposition, he only indicated definitely that he intended to improve the condition of the British people—so far as Australia was concerned—by adding to the exclusion of British citizens, the exclusion of British goods by means of an increased measure of protection. In this connexion I would ask the honorable member for Bland to recollect the circumstances under which the Immigration Restriction Act was passed. He knows that it was an Act under which we had to trust the Administration, when we gave them power to examine in any language they chose, not merely coloured immigrants, but white immigrants.

Mr. DEAKIN.—We have never yet examined a white man.

Mr. DUGALD THOMSON.—I am not saying that the Government have done so. Under the Act we have to repose absolute trust in the Administration. We conferred upon the Government of the day the power to which I have alluded, and if it be properly exercised the aim of Parliament will be attained. If, on the contrary, advantage were taken of that power to subject British immigrants to an examination in a language of which they knew nothing, it would be an undoubted straining of the intention of Parliament, and would very properly call for animadversion, both from members of this House, and from the people and press of Great Britain. It was the honorable member for Bland who proposed the amendment to which our attention has been especially directed to-day. He gave us the assurance that it was intended to be used only to prohibit the introduction of labour in quantity when industrial disputes were in progress, and to prevent contracts being made in ignorance of the conditions obtaining in Australia, and the signatures to which might have been secured by actual deception. Upon those representations he secured the support of a large majority of the House. There was no serious discussion of the proposal, and it was understood that the provisions of the section would be enforced only under the conditions to which I have referred. But we have seen for some



time—and I am glad that honorable members are beginning to recognise it—that the effect of the law is that, even in connexion with the engagement of one man for a special purpose, and for a short period, applications have to be made for an exemption certificate. The people of Great Britain have come to the conclusion that so many dangers beset those who would come to Australia under engagement that it is better not to come at all than to incur the liabilities attaching to immigration under our laws. The Prime Minister stated that the contract laws were rigidly enforced in the United States of America. That is doubtless the case, but they are not enforced against American citizens. America has never enforced, and has never proposed to enforce, a contract law against its own citizens, or those of its dependencies. Such persons may enter the United States of America, even under contract, without any interference on the part of the law. And yet Australia—a British community—is enforcing the contract provisions in this Act against Britishers, even in circumstances in which it was said when the Bill was before us that there would be no necessity to do so. To describe men who come here under contract as undesirable immigrants or bondsmen is to make the most improper use of those terms.

Mr. WATSON.—It depends on the circumstances.

Mr. DUGALD THOMSON.—I am referring to cases in which men come here under contract to receive the ordinary rates of wages—men who, when entering into that contract, knew what they were doing—and are not imported to interfere in industrial disputes. Surely some of the best men obtainable from Great Britain are those who would come out only under engagement—men who are able to command constant employment in Great Britain. Surely they would be a desirable class to have in Australia. They naturally say, "We can obtain work in Great Britain, and why should we come to Australia unless employment is assured to us?" It is undesirable that men should arrive in Australia in destitute circumstances, but some honorable members lose sight of the fact that a man who has scraped up every shilling to pay for his passage to Australia, and whose chances of employment on arrival here depend solely on the condition of the labour market, runs a risk of becoming destitute. I am not saying for one

moment that the honorable member for Bland, or those who agree with him, are backing down from the position they originally took up.

Mr. WATSON.—On the honorable member's own statement I am not.

Mr. DUGALD THOMSON.—I am not going to pursue the tactics of the honorable member, who this morning delivered a speech that was not in his usual style. I shall not attribute wrong motives to him, or say that he is abandoning his principles. I am simply pointing out that he has seen fit to form a different view of the effect of the contract labour section from that which he first took. I am pleased that he and the Prime Minister now see their way to reconsider it. I recognise that there are some difficulties in the way of amending the provision in question, but those difficulties are not insuperable. If we know what we want, surely it should not be impossible for us to express that desire in an amendment of the section. I hope that the Prime Minister will not delay dealing with the matter, but will recognise that, even though the drafting of an amendment to the section may involve some difficulty, there are still greater difficulties and objections in the retention of the section as it stands. I do not recognise one difficulty which the Prime Minister suggests. He says that the creation of the Arbitration Courts in several of the States has given rise to new difficulties in the way of amending this provision. To my mind they have simply eased the situation. If an industrial dispute were brought before an Arbitration Court the wages and hours of labour to be observed in the trade in question would be determined, and the rates and hours fixed by the Court would be regarded as those which were to rule in the industry. A new arrival would consequently have to comply with that decision.

Mr. DEAKIN.—That is not my difficulty.

Mr. DUGALD THOMSON.—Then I do not know what difficulty the honorable and learned gentleman has in mind. Our experience of late years shows that there is so little danger to be expected from this source that the section might be wholly repealed. If the case put forward by the honorable member for Bland—that there should be no interference with industrial disputes by the importation of cheap labour, and that there should be no misconception as to the rates of wages and

conditions of labour in Australia on the part of those entering into a contract to labour here—needs consideration, it can be met. The sooner we remove from the minds of the people of Great Britain the impression which has been supported by incidents that have actually occurred—the impression that we wish to restrict the immigration of men seeking honest employment—the better. The sooner we remove the impression that a community of British people, which is indebted to Great Britain for the great gift of the Continent of Australia, and many of the liberties it enjoys, places restrictions in the way of honest citizens of the Empire coming to Australia to accept honest employment, and not with the intention of forcing down wages, or of interfering with an industrial dispute, the better for the Commonwealth. In some cases the coming of these men to Australia may lead to the creation of new industries, and it is most undesirable that their admission to the Continent should be restricted, or that they should be subjected to any humiliation at our hands. The sooner we so amend our law as to clearly show the people of Great Britain what we intend and what we do not intend, the better for Australia. As there seems to be a consensus of opinion that an amendment of the Act is necessary, I hope that action in that direction will be taken by the Government at as early a date as possible. Before the Ministerial announcement was made, it was my intention to test the opinion of the House on the question; but I willingly give way to the Government, as I recognise that its assistance is probably necessary in connexion with such an amendment of our law. I trust that at an early date we shall see the worst features of section 3 of the Immigration Restriction Act removed from our statute-book, and a different opinion created throughout the British Empire from that which at present exists in regard to our immigration laws.

Mr. MALONEY (Melbourne).—No truer words ever fell from the lips of a Minister than those which were uttered by the Prime Minister as to the reason for Victoria's loss of population. Thirty years ago I endeavoured to settle on the land, but the difficulties which beset me were such that the area I obtained has up to the present been nothing but a burden to me. The honorable member for North Sydney inquired whether the United States of America ever applied the contract labour laws

against one of its own citizens. I would inform him that, if a citizen of the United States left England under contract to work in the States, he would not be allowed to land unless he was able to answer a very severe set of questions that would be put to him. That is the information which I obtained first hand at Manila. I was informed that men from Hongkong have been refused permission to land in America. An immigrant is questioned even as to his opinions on the marriage question before he is permitted to land. The honorable member for Bland spoke of the stringent immigration regulations which prevailed in the United States, and the honorable member for North Sydney, on inquiry at the office of the Consul for the United States, will learn for himself how severe they are. I am in a position to show that a Crown Colony of Great Britain has a law directed really against its own citizens. I have endeavoured to obtain an original document relating to this matter, and if it be forthcoming from the office of the Minister of External Affairs, I hope that I shall have permission to print it. No Australian regulation is so stringent as the one in operation in the Crown Colony of Hongkong. It was issued while I was there. Under it if an Englishman, Irishman, Scotchman, Australian, German, or Russian took ship at Macao, one and a half hour's sail, from Hongkong—or even from a nearer port—and became destitute on landing at Hongkong, the agents or owners of the ship would be answerable for any cost incurred by the Government in respect of the man. Further than that, the Government may require the ship-owners to return all such individuals to their place of birth.

Mr. BRUCE SMITH. — That is the law practically all over the world.

Mr. MALONEY.—That is an absurd statement for the honorable and learned member to make. I was informed that the captain and owners of every vessel entering the English port of Hongkong were answerable for any man who left that ship and had to earn his living. Compared with such a regulation, those in force in the Commonwealth are trifling. The sooner Australia awakens to a knowledge of the party that slanders and degrades the country which feeds and clothes its members, the better. I have no doubt that it is the desire of every honorable member that we should have a happy and a prosperous people, and I am asto-

nished that some honorable members of the Opposition, who possess liberal and democratic tendencies, should be led into paths which I am sure their conscience must bid them to avoid. The majority of the newspapers supporting the Opposition are those guilty of vilifying Australia.

*Debate interrupted. Orders of the Day called on under standing order 119.*

# COMMERCE BILL (No. 2).

Debate resumed from 14th September (*vide* page 2344), on motion by Mr. KNOX—

That the Bill be referred to a Select Committee, consisting of the following members:—Sir W. J. Lyne, Mr. Lee, Mr. Brown, Mr. Glynn, Mr. Fisher, Mr. Kennedy, Mr. Salmon, Mr. Carpenter, Mr. McWilliams, and the mover.

Mr. SPENCE (Darling).—I do not propose to speak at any length upon this question. To my mind, any inquiries that might be made by a Committee would simply tend to show the urgency of passing a measure of this kind. I see no need, therefore, for the appointment of a Select Committee. Honorable members have sufficient acquaintance with commercial affairs to justify them in considering and passing a measure of this kind without referring it to the investigation of such a body; though, of course, if it can be shown that any of the clauses of the Bill would operate unfairly towards honest traders, they should be amended. This sudden desire for the appointment of a Select Committee seems strange to me, seeing that some of those who support the motion of the honorable member for Kooyong have expressed strong opinions against the appointment of Select Committees, because of the cost, and for other reasons. But when delay is wished for, or other motives actuate them, they seem to put aside these opinions. I am not sure whether the honorable and learned member for Parkes last night charged me with possessing class bias because I had shown round the Chamber samples of adulterated goods, or because I had discovered the adulteration. If to feel strongly against all kinds of fraud, and against the deliberate deception by vendors of those with whom they do business, is to be biased, I confess that I am so biased. The need for legislation of this kind must be recognised, and the only point for consideration is whether the Bill as framed may, or may not, be detrimental to trade. It is claimed that

one of its clauses will require the grading of exports by Commonwealth officials; but I fail to see that that is so. As I understand the clause in question, it means that such goods shall be stamped to show their quality, and that provision will naturally lead to the grading of produce by exporters or manufacturers; and recognised qualities will come to be established in various trades. But to protect the honest trader, penalties must be imposed for the dishonest description of goods, and the Customs-house officials must be the judges in the first instance of whether goods are or are not properly stamped. Surely no objection will be taken to a provision requiring the marking of the weight on every package. The sale of light-weight goods seems to be increasing under the present system. A buyer asks for a packet of candles, believing that he will receive 1 lb., and gets 12 ounces; or for a tin of jam, believing that it will contain 1 lb., and receives 14 ounces. Of course, in such cases he could protect himself if he were allowed to weigh the contents of the tin or package; but the vendor would never permit that. I cannot understand the opposition to the measure which has been exhibited by some honorable members who supported the late Government, since the Bill was framed by that Government. They seem to think that the present Government would administer its provisions unfairly. I do not think that that is a fair position to take, because I feel sure that the departmental officials will administer the law in the same way under this Government as under any other Government. The honorable and learned member for Parkes last night gave us one of his usual lectures upon the common law of England, and told us that it was recognised by the Courts that when two persons entered into a contract they had to abide by it, even though one might afterwards find out that he did not get exactly what he bargained for. But if a person sells me a pair of boots as made of leather, while some material portion of them is cardboard, I have a remedy against him, even at common law, because it is impossible for the buyer in such a case to discover by an ordinary examination the nature of the material used. I was surprised to hear, too, in this connexion, the apparent approval of the honorable member for Parramatta of the English system of dealing only with imports. The fact that the legislation of England has not prevented the

exportation of goods which are not what they purport to be, has had a good deal to do with the large importations of shoddy to Australia, especially in the old days, when anything was considered good enough for the Colonies. Apparently the honorable member wishes us to follow the same policy. I think that the measure should not be made too narrow, and I urge the Minister not to accept the suggestion to confine its application to articles of food and such things as patent medicines. I would extend it to apparel, and make it apply to Inter-State trade, as I am given to understand by those who pretend to legal knowledge that we can make it so apply. I have here, for the edification of honorable members, a number of samples which show the nature of some of the goods which are now being manufactured in Melbourne and sold locally or sent to the other States. My first sample is a piece of paper made to represent leather, and used as a kind of inner sole for men's boots. Then I have an in-sole of a child's boot, stamped out of a cardboard hat-box. I have another sample of paper which so closely imitates leather that it would be impossible for almost any one but an expert to discover that it is not leather. Another exhibit is a child's shoe, the only leather in which is a very thin piece, of inferior quality, on the sole, the rest of the shoe being made of cardboard, so far as the sole is concerned, and cotton for the upper. I have also a sample of leather made up of shavings and waste pieces, which have been pressed together and rolled. This composition is used for boot heels. There are about eight layers of thin shavings, but directly the material is put into water, it becomes soft.

Mr. BAMFORD.—Would the Bill prevent the sale of such articles?

Mr. SPENCE.—We have no power to deal with the sale of goods which are manufactured in and not exported from any of the States; but the Governments of the States have already done something to prevent adulteration in those circumstances, and we can prevent the exportation from one State to another of adulterated goods. We can prevent, for instance, the exportation of boots made from materials such as I have shown to Sydney, where free-traders, who think the imported article is always better than the locally-made article, are being victimized by buying as leather what is really paper.

Mr. CROUCH.—Is the honorable member sure that these things are Australian made?

Mr. SPENCE.—A great deal of the cardboard is imported.

Mr. TUDOR.—These materials are used all over the world at the present time.

Mr. SPENCE.—Yes. The making of sole leather out of waste pieces is quite a feature of the American trade, I believe. The point I wish to emphasize is that these materials are being used in Melbourne factories for the manufacture of boots worn in Victoria, or exported to other States. I wish to check the exportation of such goods, to protect the consumers of the other States. As a rule the free-traders of this House are very ready to champion the cause of the consumers; but in discussing this Bill they seem to have forgotten the consumers, and to be considering only the manufacturers.

Mr. DUGALD THOMSON.—The Bill does not provide for the protection of the consumers.

Mr. SPENCE.—I think that it does. In any case, we should make it provide for their protection. The Bill compels producers to stamp their goods according to weight, quality, and grade. This, I think, will compel the various trades to grade their goods.

Mr. DUGALD THOMSON.—Then the Bill provides for grading.

Mr. SPENCE.—The contention of the honorable member, that the effect of the Bill will be to create a system of Government grading, deserves consideration, but as I read the measure that will not be its effect. What I believe to be the intention is that the exporter of goods shall state whether they are of first, second, or third grade. If an article of number 3 grade is marked as of number 1 grade, the error should be corrected by the Customs authorities. It appears to me that the Bill would insure that.

Mr. DUGALD THOMSON.—An article may be introduced under a perfectly true description, and although it may not be a genuine product, may yet pass into consumption. We have no control over it after it has once been imported.

Mr. SPENCE.—If a purchaser buy an article with a full knowledge of its quality and character, well and good; but what we should seek to prevent is the deception that takes the form of representing articles to be other than they are. All we can do is to insure that the goods shall be properly described. If the Bill were made

to apply to the Inter-State trade, it would have a salutary effect upon our local manufacturers. We should endeavour to bring about a high standard of manufacture for Australian goods, which we wish our own people to purchase. Honorable members will find, on reference to the last report of the City Health Officer of Sydney, what has been done by means of legislation against the adulteration of foods. Owing to the activity of the health authorities in regard to the adulteration of milk the mortality amongst young children has been very largely reduced. Last year the deaths were 48 per cent. less than in 1903, and 46 per cent. lower than the average for the previous three years. The percentage of cases of adulteration of milk fell from 71 in 1903 to 19 in 1904. The sale of water at 4d. per gallon is a very profitable industry, but the authorities have shown that they can effectively check that form of fraud. The Chambers of Commerce of Australia are making an appeal which is quite characteristic of such bodies. They say that they are in sympathy with the object of the Bill, namely, the prevention of fraud, but they denounce the measure without indicating their real grounds of objection. They adopt this course in regard to every measure that is brought forward with the object of purifying our business methods, and protecting the public against deception. I would not suggest that they desire to encourage dishonest traders, but the methods they adopt certainly lay them open to grave suspicion. I should like them to declare definitely in what respects the Bill is likely to fail in achieving its objects. I think that its scope should be extended to apparel. Serious frauds are perpetrated in connexion with the manufacture of clothing, and I think we should endeavour to protect the public as far as we can by placing under supervision all transfers of apparel from one State to another. I believe that this would have a salutary effect upon our clothing manufactures. I have indicated the extent to which spurious substances are used for manufacturing purposes. I have here a piece of paper which is made up to resemble leather, and is used in the manufacture of cheap furniture. We should do all we can to put a stop to such frauds upon the public. When we have done so we can fairly appeal to the States Governments to co-operate with us in regard to matters which are beyond our

control. It may be more difficult for us than for the States to regulate the conditions of manufacture, but if the States fail to take the necessary action we must do all within our power to make good the deficiency, despite the extra cost that may be involved. A number of inferior articles are now in common use, and we can, by means of legislation such as that now proposed, do a great deal towards checking trade frauds. We have heard that barium chloride is used in the manufacture of sole leather in order to add to the weight of the article. It must be extremely profitable to use barium chloride at 1d. per lb., and to sell it at 10d. per lb. Leather thus treated is highly injurious to the health of the people who have to handle it, and upon that ground alone something should be done to put a stop to a highly improper and immoral practice. The impositions upon the public by manufacturers and producers frequently react upon themselves. Honorable members will recollect the case of the butter which was sent from Australia to South Africa during the time of the Boer war. The butter was put up in tins which were supposed to contain 1 lb. each, but on examination the contents were found to be 4 ozs. short of the declared weight. The consignment was rejected by the Imperial authorities, and the butter was afterwards sold in Johannesburg at 5s. 3d. per dozen tins. That transaction practically ruined the Australian butter trade in South Africa. It has been argued by some honorable members that we cannot exercise any control over our produce after it leaves our ports, but it is extremely unlikely that any goods would be repacked on arrival at London, or elsewhere, with a view to imposing on the public. In regard to soap, for instance, it is very necessary that the exact weight of each bar should be stamped upon it, so that the purchasers may know exactly what they are buying. Soap is made up in the form of 28, 32, 36, and 40 bars to the cwt., but many people are under the impression that one bar of soap is the same as another, so far as the weight is concerned, and, in consequence, are frequently imposed upon. Then again, we have been informed that from 20 to 70 per cent. of cotton has been used in the manufacture of Colonial flannels. We cannot control the manufacture of these goods, but we can at least exercise supervision over those which are transferred from State to State. I have directed the

attention of honorable members to the rubbish that is used in the manufacture of children's shoes. The paper, which is substituted for leather, immediately soaks up water like a sponge, and instead of protecting the child against damp and cold is likely to visit upon it the most serious consequences. It is desirable that we should regulate the sale of patent medicines, but it is still more important that we should exercise supervision over the manufacture of articles of food and clothing. The object of the Bill is to insure that all articles exported from Australia shall be described according to their quality. The Victorian Government have accomplished much good by means of their system of grading exports, and I regard the Bill as another step in the direction of securing a good name for Australian products in the markets of the world and of protecting the home consumer.

Mr. KELLY (Wentworth).—Honorable members know from the remarks which I made yesterday upon the motion submitted by the honorable and learned member for Corio, that I sincerely deprecate adding to the Select Committees which are already in existence. I have previously stated my opinion that it is the Government alone who should accept the initial responsibility for all legislation submitted to this Chamber. That legislation, I contend, should be the finished product of the combined intelligence of the Cabinet; and it is only when I am satisfied that the necessary amount of forethought and consideration has not been devoted to Bills introduced into this House that I will consent to the appointment of a Select Committee to perform the work which properly attaches to Ministers.

Mr. PAGE.—The honorable member objected to the appointment of a Select Committee only yesterday.

Mr. KELLY.—If the honorable member had been present a few minutes ago he would have heard me reiterate my objections to the unnecessary appointment of Select Committees. The creation of such a body is only justified when the Cabinet have not given to measures submitted to the House that concerted consideration which they should bestow upon them. I think it must be very clear to honorable members that Ministers have not collectively considered this Bill. We have merely to look at that portion of it which relates to grading in order to discover that. Up to date three Ministers have expressed themselves upon the measure, so far as the question of grading is con-

cerned. In the first place the Attorney-General scarcely seemed to know what the Bill intended. When the honorable member for North Sydney asked him, "What about grading"? he found the question so awkward and unexpected that the best reply he could give was, "Am I not to have the opportunity to put together a few connected sentences"? Later on the honorable and learned gentleman, having had time to turn over in his mind the possibilities of this measure, made the following declaration:—

We are not taking the power to create qualities, grades, sizes, weights, and ingredients.

At a subsequent stage the honorable member for North Sydney inquired—

Has the Attorney-General finished what he had to say in regard to grading?

To which the Attorney-General replied—

I am trying to answer the honorable member's questions. We do not intend to create grades.

The honorable member for North Sydney thereupon asked—

The Government do not intend to grade?

and the Attorney-General answered—this time a little bit staggered, because he scented danger in the insistence of the honorable member's question—

It all depends upon what the honorable member means by grading.

In view of this remarkable change of front on the part of the Attorney-General, it is obvious not only that the honorable and learned gentleman has not considered the Bill concertedly with the Cabinet, but that he himself has not considered it upon its merits. The bulk of his statements were to the effect that it does not contemplate dealing with grading. But the Minister who is in charge of the Bill tells another tale. He says—

There is to be sufficient grading to enable us to distinguish bad goods from good goods.

If there is to be that amount of grading, it is perfectly clear that the Bill makes provision for grading. It will thus be seen that two responsible Ministers, who should have jointly considered this measure before it was submitted to the House, directly contradict each other as to one of the most important phases of it. The Vice-President of the Executive Council is even more emphatic than is the Attorney-General. He declared that no one with any sense would think that this bill meant grading. Thus we find that three Ministers entertain

different views of the measure, clearly proving that they have not concertedly considered it, although the far-reaching character of its provisions in itself should have rendered such consideration imperative. It behoves the House, in defence of the trade which we have already built up, and in protection of the interests which Australia possesses, to refer the Bill to a Select Committee, since the Government have proved so recreant to their duty. The honorable member for Darling attempted to make a great point this morning by exhibiting certain articles which had been sold under the false pretence that they were made of leather. The material, which he exhibited as leather, consisted either of paper or leather shavings, and shows that a miserable fraud has been practised upon the poor people who purchased it in the belief that it was the genuine article. But in urging that view, the honorable member for Darling provided me with the very best argument that can be employed against the Bill. The measure will not protect the local consumer at all. Under its operation the same materials can be imported, so long as they are correctly described. They may be brought into the Commonwealth as "fancy paper" and afterwards sold to the local boot manufacturer, who may convert them into boots purporting to be "leather" for the children of the poorer class of people. The Bill deals only with imports and exports. Even in regard to these matters it does not go far enough, if there be anything in the benefits which, it is predicted, will accrue from its operation. I repeat that under the Bill any goods may be imported, so long as they are properly described. For instance, materials may be imported as "imitation leather," and after they have been admitted they may be converted into any article that the manufacturer chooses.

MR. GROOM.—Does not the honorable member think that the States could deal with that matter?

MR. KELLY.—Most certainly I do. The States alone can deal with the practice of defrauding the consumer. In the first place, we have to consider the class of goods to which this measure is intended to apply. The Minister of Trade and Customs, in introducing it, submitted a long list of articles which were likely to be affected by its operation. These included all food-stuffs, loots and shoes, furniture, and apparel, and a number of other articles rang-

ing through all branches of commerce. Shortly afterwards, however, the honorable gentleman, who ought in all reason to have been thoroughly satisfied, before introducing the Bill, as to the particular articles which should be affected by it, received a deputation from the commercial bodies of the Commonwealth in respect of its provisions. In reply to that deputation, he said that he would introduce an amendment which would confine the operation of the Bill to patent medicines and food products.

SIR WILLIAM LYNE.—If I have done wrong in endeavouring to meet honorable members opposite, I will make the Bill apply to all the articles to which I previously referred.

MR. KELLY.—The Minister may endeavour to lead me into a false position, but I am not quite so young as he always describes me. Immediately after submitting the measure to this House, the Minister assured a deputation that it would not cover more than half the scope which it was originally intended to cover. Now he is prepared if he meets with any further opposition to see that the original scope of the Bill is maintained. He has no particular responsibility in regard to the matter, and is quite prepared to see the Bill passed in whatever form the House chooses.

MR. GROOM.—This is a deliberative assembly, and he wishes to know what proposals the honorable member has to make.

MR. KELLY.—It is a deliberative assembly, which used to be presided over by a responsible Government; but if any Government is prepared to allow the Opposition or any other party in the House to take upon itself the responsibility for Bills, and to deal with the general trend of legislation, it is a sorry event for the Commonwealth.

MR. GROOM.—Are they not to listen to proposals from all sides of the House?

MR. KELLY.—Three Ministers have expressed largely conflicting views in regard to the measure, and now we have a fourth coming forward. My honorable and learned friend urges that it is only right that the Government should consider proposals from all sections of the House. I entirely agree with him; but I think he will see that the Ministry should not accede to a proposal unless they are satisfied that it is a right one. The Minister first said the Bill should deal with a wide range of articles; therefore he thought it beneficial that it should deal with those articles. He afterwards

agreed to restrict the operations of the measure; therefore he then thought that it would not be beneficial to include articles formerly included. Now we find him prepared, if he meets any opposition to that proposition, to deliberately agree to the Bill being passed in a form which he has admitted would not be in the interests of Australia. Here we have a picture of responsible government which is not likely to encourage any belief in the future usefulness of this House.

Mr. CHANTER.—Is there not a responsible Parliament, as well as responsible Government?

Mr. KELLY.—Certainly there is; and that is why this Parliament, as a responsible body; should see that the Government which direct its deliberations, submit to it the product of their combined intelligence, or at all events take the responsibility for the recommendations they make. The present Government can apparently accept no responsibility for anything they may do. It seems strange that they should be so prepared to jump backward and forward in relation to their proposals.

Mr. GROOM.—But what is the particular principle of legislation that the honorable member wishes to emphasize?

Mr. KELLY.—The particular principle I am laying down is that all proposed legislation should be considered by the Government, and that it is only when it is obvious that a Bill has not been so considered that the House should take the extreme step of appointing a Select Committee to inquire first of all whether there is any necessity and call for the proposed measure, and secondly whether it is designed in the interests it is intended to conserve. Honorable members, from whatever side they have spoken, have shown that they really believe, in view of all the different attitudes adopted by the Ministry, that the Bill has not been properly considered. Such being the fact, I fail to see why the Government should object to the appointment of this Select Committee. The Committee proposed will be an expert one. All legislation of this kind in the House of Commons is first submitted to Select Committees specially qualified to deal with it. In the United States the same procedure is adopted. But our House is obviously too small to permit of the formation of a number of standing committees of that kind; and for that reason we should be all the more careful to see that the Government properly consider all measures before submitting

them to us. It would be utterly useless for us to attempt in Committee to frame a Bill of such a far-reaching character as this is. We could not bring it into anything like reasonable proportions. Let me give one instance of the difficulties in the way. We know that if one wants to retain possession of a market, one must consider the demands of that market. It has been strongly urged in Australia, as well as in other markets of English manufacturers, that the reason the latter are not keeping abreast of foreign manufacturers is mainly because they make an article to suit themselves, and not to suit the market for which it is intended. What are we proposing to do in this Bill, but to make all goods conform to certain grades and standards of quality? Is it not proposed to provide that all the goods that we send to different markets of the world shall be on exactly the same plan? It is very clear that in so doing we are falling into the same mistake that the people of the mother country, according to our view, have committed, in trying to treat all markets, not from the point of view of the consumer, but from the stand-point of the manufacturer. The honorable member for Parramatta touched on one interesting phase of this very wide question. He dealt with the difficulties which must arise in our markets in the East as the result of the passing of this measure. What the honorable gentleman said in that regard has been the subject of some criticism on the part of certain honorable members in this House; but I do say that the gist of his remarks is borne out by what little knowledge I have of the character of the Eastern markets. We all know that those markets are intensely conservative in their tendency. It is only as the result of persistent hard work that a firm is able to establish a market for its products in the East. It is common knowledge in the East, even if it is not in this House, that new traders to that part of the world endeavour, by imitating articles that have already gained a foothold there, to secure some sort of spurious footing for their wares. I give this as an instance in support of my contention. I know of an article which, after gaining a large market in the East, was suddenly confronted with the competition of another. The merchant introducing the latter article was careful to see that it was wrapped up in a package which bore a name that, while different from that of the vendors of the original



article, contained exactly the same number of letters. The package was the same both in colour and shape, although the contents were different. The company first in the field endeavoured to obtain an injunction to prevent the sale of this colorable imitation of their own product; but, as their efforts in that direction failed, they took the unfortunate step of printing their own name in broad bold letters across the label on their packages. The result of this was that they lost the market. Their manufacture was never asked for again. It was not the article, but the covering, that these Eastern people wanted. This is only one of many instances that might be given of the extreme conservatism of the Eastern market; and I urge that the House should take it into serious consideration before passing legislation that will inevitably render it necessary for exporters to put certain brands and marks on the labels of goods sent abroad, and thus possibly destroy the markets in the East that have been built up by Australian enterprise.

Mr. CULPIN.—Does not that argument cut both ways?

Mr. KELLY.—I do not think it does. Trade in the East is built up as the result of much laborious effort; and, once secured, it may be held for all time, if our traders are not guilty of the folly which the House, by passing this Bill, would have them commit. As honorable members know, goods are sent out in large parcels; and say, for the sake of argument, that we provided that each parcel, instead of each unit, should be marked in a certain way before being exported to China. Only an expert committee could decide whether articles could not be sent under such conditions to the East, and afterwards reshipped to other markets, where this system might or might not be advantageous. It is obvious that all these different phases of trade must be very seriously considered before the House is asked to embark on such sweeping legislation as that with which we are now asked to deal.

Mr. KING O'MALLEY. — Does not the honorable member believe that commercial honesty is the best policy?

Mr. KELLY.—I certainly do.

Mr. KING O'MALLEY.—If a Chinaman had a 16-oz. stomach, would the honorable member give him only 14 ozs. of Australian butter with which to fill it?

Mr. KELLY.—As to their being any ullage in tinned goods sent to China, I may

say at once that the Chinese are by no means the innocent people that the House appears to imagine. On the contrary, they are very shrewd in some ways. When it is once found in China that there is an ullage—I am dealing now solely with the Eastern trade, as showing that this measure cannot be assimilated to every export trade we have—in an article, that article in a very short time is run off the market. The Chinese, as a trading people, are very honest.

Mr. TUDOR.—That is not characteristic of the Chinese we know in Australia.

Mr. KELLY.—If my honorable friend would inquire he would find that the Chinese merchant has as good a reputation for honesty as has the merchant of any other country. I am by no means opposed to the White Australia idea, but I always desire to give credit where it is due. If I have repeated anything which the honorable member for Parramatta has said, it has been unconsciously, because I was not present when he made his speech. I put this fact before the House to show the care which we should exercise in regard to any measure regulating commerce. This Bill does not protect the local consumer. If it did, that would be a solid reason for pressing for its consideration in this Chamber without delay.

Mr. TUDOR.—It protects the consumer so far as imports are concerned.

Mr. KELLY.—No; because the local merchant may deal as he likes with the goods which he has imported, once they have passed through the Customs barrier.

Mr. TUDOR.—Does the honorable member think that the local merchant would be so dishonest as to alter labels?

Mr. KELLY.—That would not be necessary. The paper made to imitate leather for use in the manufacture of boots and shoes, which the honorable member for Darling exhibited here this morning, could be imported as paper or imitation leather.

Mr. SPENCE.—But it would not pay to re-make imported boots made partly of imitation leather.

Mr. KELLY.—If articles manufactured of shoddy cannot be imported, the shoddy will be imported, and made up locally. Surely honorable members do not wish to encourage so miserable and deceitful an industry as that?

Mr. SPENCE.—The States could put an end to that.

Mr. KELLY.—Yes; but we should not pass legislation which may encourage such a thing. The promiscuous use of patent medicines is a matter which can be dealt with only by States legislation. The States Governments could, if they liked, lend us the services of their Health Departments, or we could appoint a body similar to the Apothecary's Hall in England; but it would be ridiculous for the Customs Department to be allowed to determine what patent medicines would be injurious to the public health, and what would not. It is generally not the medicines *per se* that are harmful, but their universal application to all complaints, as advised in the advertisements recommending them. The representatives of the medical fraternity in this House will bear me out in that statement. To deal with the patent medicine curse, we must have a properly constituted body like the English Apothecary's Hall, whose business it will be to watch, not only the importations, but the advertisements of patent medicines, to see that they are not advertised to cure complaints for which they are inefficacious. All that the Bill does is to give the Minister power to prohibit the importation of patent medicines, and thus to protect the local manufacturer of these nostrums. It gives the public no protection, however. I urge these points for the consideration of honorable members. The Bill does not do what it is urged that it is intended to do, but will undoubtedly seriously interfere with our external trade.

Mr. TUDOR.—Will the honorable member assist to make it as effective as possible?

Mr. KELLY.—If the Commonwealth had the power to act for the protection of the people of Australia in these matters, I would be with the honorable member, because I am certainly not an advocate of false trading. I say, however, that the Bill will not have the effect of preventing the sale of goods under false trade descriptions, and for that and the other reasons which I have given I urge the adoption of the motion of the honorable member for Kooyong, so that a thorough investigation may be made in regard to it.

Mr. WEBSTER (Gwydir).—I have listened very patiently to this debate, so far as I could, because one cannot remain in the Chamber for more than a couple of hours without suffering physical inconvenience.

Mr. KELLY.—Other honorable members had on one occasion to wait here four and a half hours to hear a speech delivered by the honorable member.

Mr. WEBSTER.—The physical inconvenience I speak of is not such as might result from having to listen to the honorable member's utterances but is due to the impure condition of the atmosphere caused by defective ventilation. So far as my health has permitted, I have attended in the Chamber to hear the speeches made in connexion with the Commerce Bill, and I cannot help being impressed with the similarity of the utterances of the members of the Opposition. The last speaker is a great imitator of others in the composition of his speeches. Almost every argument which he used just now, except such as were drawn by spoon-feeding interjections, had been used by other members of his party who had preceded him. He generally commences his discourses by quoting from the *Hansard* reports of previous speeches, and dwells on them *ad nauseam*, adding nothing novel or original to the debate. This resurrection pie style of speaking is very tiring to those who have to listen to it.

Mr. SPEAKER.—Will the honorable member discuss the Bill?

Mr. WEBSTER.—I claim the right to reply to the remarks of the honorable member in regard to the measure, and his attempts to humiliate the Minister and others who support the Bill.

Mr. SPEAKER.—It is to the Bill, and not to the conduct of any honorable member, that the honorable gentleman must address himself.

Mr. WEBSTER.—I cannot understand the opposition to the Bill, since it is known that its object is to do all that the Commonwealth authorities can do to purify our export and import trades. The honorable and learned member for Parkes last night assumed, as he usually does, that in his personality is summed up all the reasonableness and logic of the Chamber, and pretended to be unable to discover, even with a microscope, the presence here of any other level-headed man. Then, in his grandiloquent manner, he proceeded to deal with the arguments of previous speakers, though he could not at the outset refrain from having a quiet dig at the Labour Party, who, he says, in their attitude towards this measure are influenced by sentiment and strong bias. I think that that remark could more fairly be

applied to those who are opposing the Bill. I maintain that the honorable and learned member for Parkes was wrong in his premises and, therefore, arrived at entirely erroneous conclusions. He said that if the Government had adopted the Bill which was framed by their predecessors, they would have had the support of honorable members generally. He asserted further that the present Government had eliminated from the measure the principal clause in the draft Bill, and had thereby robbed the measure of its usefulness. That statement is utterly misleading. So far from the present Government having eliminated any provision that would have made the measure more effective, they dropped a clause of a far more stringent character than any now embodied in the Bill. That clause read—

The Governor-General may by proclamation prohibit the importation or introduction into Australia of any goods which do not comply with the standard prescribed by regulation or proclamation.

Instead of proposing to take power to prohibit the importation of goods, the Government seek authority which will enable them to insure that goods shall be truly described. Honorable members of the Opposition have devoted hour after hour to the expression of their objections to grading, and yet they would readily have supported a measure containing a provision such as I have quoted. In that clause, it was proposed to set up a standard under which every article would have to be graded. Honorable members, who are opposing the Bill, have urged that the Government have entirely forgotten the consumers, but they know full well that the powers of the Commonwealth are limited by the Constitution. The Constitution permits the Commonwealth to deal only with imports and exports, and since the advent of Inter-State free-trade no means are available to us of exercising supervision over goods which may be transferred from one State to another. Honorable members have urged that because we cannot go beyond the Customs House, we should not do anything—that because we cannot legislate within the State domain, we must not exercise such powers as are conferred upon us by the Constitution. Such arguments are a hollow mockery, and should stand to the eternal discredit of those honorable members who have used them. I am becoming convinced that there is very little sincerity in many of the arguments that are used on the floor of this

House, and in other Parliaments of which I have had experience. Honorable members employ just such arguments as may suit their party purposes, and frequently take up an attitude contrary to that which would be dictated by their own convictions.

Mr. SPEAKER.—The honorable member is not discussing the Bill.

Mr. WEBSTER.—I am now dealing with the arguments used and the methods adopted by the opponents of the measure.

Mr. SPEAKER.—The honorable member would be perfectly in order in replying to any arguments used by opponents of the Bill; but he is not in order in saying that in general the arguments used in this and other Parliaments are not sincere. That is an abstract question that has no bearing on the Bill.

Mr. WEBSTER.—My remarks may be unparliamentary, and if so, I shall have to refrain from continuing them. I regret it very much.

Mr. SPEAKER.—I was not questioning the accuracy of the honorable member's statements, but was pointing out that a general discussion upon parliamentary sincerity is beside the question now before us.

Mr. WEBSTER.—My remarks may be unparliamentary, but they may be freely expressed in another place, and I shall take care that they are so expressed. The duty of protecting the consumer rests upon the States, and it is to be hoped that when the Commonwealth has done all that lies in its power, the States authorities will follow its example. In view of the provisions contained in the Bill prepared by the Reid Government, it is absurd for honorable members opposite to object to what they call grading.

Mr. JOSEPH COOK.—What is the difference between grading and standardization?

Mr. WEBSTER. — I can see no difference whatever, except in the terms, and, therefore, I cannot understand why honorable members should so strongly argue against the provision contained in the Bill. Honorable members opposite have admitted that some supervision is required to prevent the community from being imposed upon by manufacturers and others, and yet they object to legislation framed with that object. I do not think that they have any real objection to the Bill, but I believe that they regard it as necessary for party purposes to oppose every proposal brought forward

by the Government. The measure is intended to put down nefarious practices on the part of commercial men, and to guard our people against having foisted upon them adulterated foods and other articles. Surely these are worthy objects. This Bill is also necessary in order to preserve the reputation of our exports in the markets of the world. Time will not permit me to enlarge upon the extent to which those markets have been affected, so far as the Commonwealth is concerned, by placing upon them inferior articles labelled as Australian, to the manifest detriment of our producers. It behoves us to do what we can to restrict the operations of unscrupulous importers and exporters, who have hitherto disgraced the calling to which they belong, and to teach wrongdoers that they cannot with impunity undermine the reputation of our commerce. That is a duty which clearly attaches to this Parliament. Some honorable members, for whom I entertain the greatest admiration as men, make me feel—when I hear the arguments which they adduce upon matters of this kind—that they must have a dual existence. Unfortunately, I cannot separate the politician from the man. We owe it to our constituents that we should preserve them from imposition, fraud, and deception. That should be our first consideration. This Bill seeks to apply to goods, imported and exported, such restrictive laws as our Constitution will permit. Beyond that we cannot go. I am glad that the honorable member for North Sydney has just entered the Chamber, because he must know that the Bill which the late Government had prepared for submission to this House contained a clause, the effect of which would have been to overthrow all the arguments advanced by members of the Opposition in respect of grading. If the honorable member had been upon this side of the Chamber, he would have been as tenacious in his support of that provision as he is in his opposition to this measure.

Mr. DUGALD THOMSON.—The honorable member should not say that, because the Bill to which he refers was never approved by the late Cabinet.

Mr. WEBSTER.—I have no knowledge of that matter. I can only speak of the provisions of the Bill in the form in which it was drafted. I contend that the clauses of the measure now under consideration are both liberal and necessary. I disagree with

the action of the Minister of Trade and Customs if he has given a promise—and I believe that he has—to limit the operation of the Bill to food products and patent medicines. I claim that if it is necessary to exercise control over food products, it is equally necessary to do so in respect of wearing apparel. A child who is compelled to wear boots made from brown paper is much more in need of protection than is the child who suffers as the result of taking too many doses of Mother Seigel's Syrup.

Mr. DUGALD THOMSON.—This Bill does not touch that.

Mr. WEBSTER.—The honorable member knows that we cannot go beyond the powers conferred upon us by the Constitution.

Mr. DUGALD THOMSON.—The honorable member is implying that we can.

Mr. WEBSTER.—I am doing no such thing. I say that as far as we can constitutionally exercise control over these goods, we should do so. When we hear the honorable and learned member for Parkes speak upon questions of this kind, we begin to wonder whether we are men of common sense. It is his constant endeavour to impress upon us the inferiority of those whom he is addressing. He adopts an exalted tone that is absolutely unapproachable by any other member of the House. When we talk about legislation that is pending, he begins to quote common law, and all sorts of law, with a view to confounding us. I am sure that when professing last night to be so intensely interested in the welfare of the consumer, he must have known that our sole desire was to afford that individual protection. In passing this Bill, we shall be making a determined effort to protect the community from dishonest importers and exporters.

Question—That the Bill be referred to a Select Committee—put. The House divided—

Ayes	...	...	...	12
Noes	...	...	...	27
				—
Majority	...	...	...	15

#### AYES.

Cook, J.  
Edwards, G. B.  
Edwards, R.  
Fysh, Sir P. O.  
Gibb, J.  
Knox, W.  
Liddell, F.

Lonsdale, E.  
Mahon, H.  
Thomson, Dugald.

#### Tellers:

Kelly, W. H.  
Fuller, G. W.

NOES.

Bamford, F. W.  
Carpenter, W. H.  
Chanter, J. M.  
Chapman, A.  
Culpin, M.  
Deakin, A.  
Fisher, A.  
Forrest, Sir J.  
Frazer, C. E.  
Groom, L. E.  
Higgins, H. B.  
Lyne, Sir W. J.  
Mauger, S.  
McDonald, C.

McLean, A.  
O'Malley, King  
Page, J.  
Ronald, J. B.  
Spence, W. G.  
Storror, D.  
Thomas, J.  
Thomson, D. A.  
Watson, J. C.  
Webster, W.  
Wilkinson, J.  
*Tellers:*  
Cook, J. N. H. H.  
Tudor, F. G.

PAIRS.

Conroy, A. H. B.  
Skene, T.  
Johnson, W. E.  
Lee, H. W.

Wilks, W. H.  
Poynton, A.  
Kennedy, T.  
Crouch, R. A.

Question so resolved in the negative.

*In Committee:*

Clause 1—

This Act may be cited as the *Commerce Act* 1905, and shall commence on a day to be fixed by proclamation.

Mr. KELLY (Wentworth).—One of the strongest objections I have to the Bill is that it leaves everything to be done by the Minister. It is not even to come into operation except on a day to be fixed by proclamation. I would ask the Minister if he can see his way to have some definite date fixed when the measure will come into operation, so that the trading community will be able to make sufficient preparation to meet the disabilities to which it will subject them.

Mr. KNOX (Kooyong).—I propose to move an amendment providing that the measure shall be known as "The Adulteration and Fraudulent Representation Act, 1905." Much of the misconception in regard to this Bill has arisen from the fact that it is wrongly named. The Minister has been assured that it is the desire of the Opposition to assist the Government in preventing adulteration and fraud, but we object to the Bill being placed on the statute-book as one dealing with the trade and commerce of the whole Commonwealth. When the proper time arrives, we shall ask the Government to consent to the title being altered, so that it will read, "A Bill for an Act to prevent adulteration and fraudulent representation." If that amendment be made, the object of the Bill will at once be clear and definite. But the use of the general title "A Bill for an Act relating to Commerce" will lead the outside world to believe that it has a distinctly different

intention. So far as the Bill is designed to prevent adulteration and fraudulent representation in regard to goods, it has the approval of the commercial community; but I would point out that the departmental measure which the honorable member for Gippsland had not time to thoroughly consider during his administration bore a different title. The very fact that the Bill is described as the "Commerce Bill" has given rise to much of the opposition to it, and has caused many people to attribute to it a scope and intention that are not inherent to the Bill itself.

Sir WILLIAM LYNE (Hume—Minister of Trade and Customs).—Before the honorable member submits his amendment I should like to make a short statement to the Committee. I promise him that if one or two clauses in the Bill be amended—as they probably will be—with the result that the Bill resolves itself into such a measure as he has described, I shall have no objection to the recommittal of clause 1, with a view to insert a fitting title.

Mr. KNOX.—I am satisfied with the Minister's offer.

Mr. G. B. EDWARDS (South Sydney).—I move—

That the following words be added—"not being earlier than the 1st July, 1906."

Much of the trouble that arose in connexion with the Sea Carriage of Goods Act was due to the fact that it was brought into force without sufficient notice. It is still more important that this measure should not be proclaimed until traders have had an opportunity to instruct their agents and correspondents abroad to comply with all the conditions—and in some respects they are onerous—which is impossible if the Act should be brought into operation at once. I think that the date I have named is the earliest that should be fixed; but it is rather an open question whether it would not be wise to determine that the Act shall not commence until 1st September. The Ministry might consider the expediency of extending the date if the session should not terminate before the end of the year. The amendment is a simple one, and does not at all affect the principles of the Bill. As a matter of fact, I favour some of its principles, although I think that it goes too far in certain directions. The amendment should be passed, in justice to those who will have to accommodate themselves to a new set of conditions.

Mr. McLEAN (Gippsland).—I trust that I shall be in order in explaining shortly the reasons that induced me to have the first Bill relating to these matters drafted, because it appears to me that the original intention has been departed from. Honorable members will remember that a resolution was carried last session, on the motion of the honorable and learned member for Bendigo, in favour of the establishment of a Federal Agricultural Bureau. The matter was left in my hands by the Government of which I was a member, and, after a thorough investigation, I found that it would be undesirable to duplicate any service at present being performed by the Agricultural Departments of the States. It appeared to me, after an exhaustive inquiry, that the functions which pertained more particularly to a Federal Department, acting on behalf of all the States, were those of controlling all imports and exports relating to agricultural matters, and of collecting and disseminating all information that would be of value to the agriculturists of the Commonwealth. Furthermore, it seemed to me that we should provide for the collection of information regarding the soils and climatic conditions of the various parts of Australia, and the different products for the cultivation of which each part was suited. I mentioned the matter to Dr. Wollaston, the Comptroller-General of Customs, and he pointed out that the only legislative powers that were necessary in that direction related to imports and exports—that any other function which it was desirable to perform in the way of collecting useful information, either here or abroad, of opening up markets in other countries, and of ascertaining all the conditions under which our products should enter those markets, could be carried out simply by making the necessary appointments and voting the salaries on the Estimates. He pointed out that it would only be necessary—and this opinion was confirmed by the Attorney-General, whom I consulted on the matter—to take legislative powers in regard to the control of imports and exports. I also went carefully into the matter with one of the experts of the Victorian Department of Agriculture, a gentleman who, I regret to say, is no longer connected with it. I refer to Dr. Howell, who is certainly one of the most excellent experts that Australia has known. He thoroughly agreed with me and with the objects I had in view, and placed at my disposal a lot of literature

showing the methods adopted in this respect by the United States. There they fix standards of purity and excellence in regard to every product that is exported, and those products have to conform with the standards fixed before they can be sent abroad. The board which fixes the standards is drawn from different bodies. The Agricultural Department and the Health Departments of the different States are largely represented on it, and the commerce interests are also represented. The board fixes standards which comply with the requirements of health, without interfering with the commercial and agricultural interests of the country. My intention was to do here in a small way what is being done in the United States, to adopt proper standards of purity and excellence, with which our export trade should comply, and, for the protection of our people, to subject importations to similar conditions. The Bill as drawn contains general powers extending to all commodities, and I had not time to revise it before leaving the Department. My intention was to go into the matter thoroughly, making such alterations as were necessary or desirable before submitting the draft measure to my colleagues. But when I left the Department it had not been so revised, nor had it been submitted to the Cabinet. I am sorry that since that time my health has not allowed me to follow the course of legislation here as I should have liked to do. I thought it well to place before the House the reasons which have actuated me in this matter. I confined my attention to imports and exports of food products for the use of man and beast, in compliance with the order of the House in regard to the establishment of an agricultural bureau, and I think that it would have been preferable to so restrict the application of the Bill at first, extending it afterwards, if necessary, in such directions as might be thought best.

Sir WILLIAM LYNE (Hume—Minister of Trade and Customs).—If the honorable member presses his amendment I must oppose it, because I think it unwise to arbitrarily provide that the Bill shall not come into force for so long a period as nine or ten months ahead. I admit that it is only fair that those who have orders on the sea shall be given notice of the intended change in our law.

Mr. DUGALD THOMSON.—It is not only those who have goods on the sea who are affected.

Mr. G. B. EDWARDS.—In some cases contracts have been entered into which have a considerable time yet to run.

Sir WILLIAM LYNE.—Where orders had been given before the provisions of the Bill could be known, it would be unfair to catch the merchants on the hop, so to speak.

Mr. LONSDALE.—As they were caught in regard to certain bags.

Sir WILLIAM LYNE.—I know all about that business, and so did the merchants concerned. It would be unwise to fix a date so far ahead as the honorable member for South Sydney wishes to fix for the coming into force of the measure.

Mr. LONSDALE (New England).—I made the interjection about the bags, not that I know anything of the merits of the case, but because I am aware that it has been complained by persons interested that if sufficient notice had been given of what would be required the trouble would not have arisen. I know one man who had to go out of business because he had not time to get done what was wanted. Apparently the Minister did not give sufficient notice to allow of the alteration of machinery necessary to carry out his directions. It appears to me that in all cases where an alteration of the law is to be made, and especially where the alterations are so numerous and so serious as in this case, ample notice should be given to those concerned.

Sir WILLIAM LYNE.—I am willing to consent to the postponement of the operation of the measure until the end of March next.

Mr. DUGALD THOMSON (New South Wales).—When the honorable gentleman remembers how far-reaching are the provisions of the Bill, I think he will see reason for agreeing to the amendment. Clause 7 provides that the Governor-General may prohibit the importation or introduction into Australia of any goods specified in a proclamation, unless there is applied to them a trade description of a certain character. It may not be required only that the trade description shall be a true one. If that was likely to be the only requirement, there would not be so much need for the postponement of the operation of the measure. What will be required will be compliance with a certain description laid down by the Minister. The Minister will decide what description shall be applied. We do not know how long after

the coming into force of the Act this proclamation will be issued.

Mr. DEAKIN.—What we are now considering is the date of the commencement of the Act. The issue of the proclamation will be subsequent to the coming into force of the Act, and the proclamation may announce a still later date for the taking effect of its provisions.

Sir WILLIAM LYNE.—Nothing unjust will be done to those who have already sent orders.

Mr. DUGALD THOMSON.—The Minister's statement, to some extent, gets over the difficulty, but it must be remembered that the Act will require many alterations in the present practice. Intimation of the changes in the law will have to be sent abroad, new orders and specifications must be framed, labels must be altered and reprinted, goods must be specially prepared for this market, and when everything is complete, shipped out here by sailing vessels. All these changes will take a long time to effect, and I do not think that the delay asked for by the honorable member for South Sydney is too long. It would not be desirable not to enforce the Act after it had once come into force, nor, on the other hand, would it be right to forfeit shipments of goods which the importers had not had time to label with the descriptions required by the Minister.

Sir WILLIAM LYNE (Hume—Minister of Trade and Customs).—I have every desire to meet honorable members, but if the honorable members for North and South Sydney will consider this matter for a moment they will see—

Mr. G. B. EDWARDS.—We know more about these things than the Minister does.

Sir WILLIAM LYNE.—I have had, at any rate, a great deal of administrative experience, perhaps more than is possessed by any other member of the House. Honorable members seem to forget that considerable time must elapse before any proclamation can be issued. If I am called upon to administer the Act, I propose, first of all, to call upon responsible and trustworthy persons of repute in their several trades to say what would be fair descriptions to require in regard to various kinds of goods.

Mr. G. B. EDWARDS.—Hear, hear; all the more reason for delaying the operation of the Act.

Sir WILLIAM LYNE.—The chances are that in some cases the Act will not take

effect for a considerable period, but it would be unwise to say that it shall not apply at all for nearly a year to come. I think that I have met the honorable member very fairly in agreeing to postpone its commencement to the 31st March. Between now and then I hope to make arrangements with those who are likely to be affected which will enable the Department to prepare trade descriptions which will not cause friction. A little while ago, some gentlemen from Tasmania and Victoria who are interested in the fruit trade seemed to fear that the Bill would require the sale of apples by weight instead of by the bushel. I knew that apples are always sold wholesale by the bushel, and obtained from them the proper size of the cases which are used, informing them that what would be prescribed would be the proper sized cases customary in the trade. Similarly in the case of smaller fruit. The members of the deputation went away quite satisfied, and I hope to be able to deal with other persons interested in the same way. It does not follow that there will be any serious alteration in a large number of trade practices. I listened with attention to the statement of the honorable member for Gippsland, and I was gratified to learn that I had to a very large extent fallen in with his ideas in making the promises I did to the members of the Chambers of Commerce. Of course, I had not the slightest idea of what was in the honorable member's mind when he drafted his Bill, but I had my own conception of what would be reasonable and practicable by way of a commencement in legislation of this kind. If we find it necessary to extend the scope of the measure, or to modify its provisions in any way, it will be easy to introduce an amending Bill.

Mr. KELLY (Wentworth).—The statement made by the Minister shows that there is no special urgency in connexion with this measure, and I think that we should profit by the experience gained in connexion with the Sea Carriage of Goods Act. I would suggest, therefore, that the clause should be postponed, with a view to the further consideration of the amendment.

Mr. DEAKIN (Ballarat—Minister of External Affairs).—I would point out that my honorable colleague has expressed his willingness to fix a date for the commencement of the Bill. No proclamation could be issued before that date, and my honorable colleague indicated that he did not

propose to issue a proclamation until he had inquired into the trade practices followed in every branch of industry likely to be affected. That would all take time, and I think that an arrangement of that kind would meet the requirements of the case. Under clause 7 we can consider the question whether any special term of notice should be given in connexion with the proclamations that are issued.

Mr. KELLY (Wentworth).—I suggest that the Prime Minister should afford the honorable member for South Sydney a further opportunity to move his amendment at a later stage, if he should so desire.

Mr. DEAKIN.—The honorable member will have an opportunity to effect his purpose by amending clause 7.

Mr. KELLY.—At present we are asked to trust the Minister to delay the issue of any proclamation until he has made certain inquiries into trade practices. The intention is an excellent one, but the Minister's action must be governed by the provisions of the Bill, as finally adopted, and we can only gauge the value of his assurance when the Bill has reached its final stages.

Mr. LONSDALE (New England).—I think that we might fairly adopt the 31st March as the date for the commencement of the Bill, if we were quite clear that no proclamation would take effect until extended notice had been given to those affected. It will be necessary to give reasonable notice to those who are trading with us from overseas, so that they may adapt their arrangements to the altered circumstances.

Sir WILLIAM LYNE (Hume—Minister of Trade and Customs).—When the deputation from the Chambers of Commerce waited upon me, I told them that I would be willing to allow a reasonable period to elapse after the passing of the Act before bringing it into operation. They asked for six months, and I was perfectly agreeable to that.

Mr. G. B. EDWARDS (South Sydney).—I should be perfectly satisfied if the Minister would agree to provide that the Act would come into operation on a date to be fixed by proclamation not earlier than six months after it has been passed. Many of us know what we are speaking of, and realize that our export and import trade may be seriously hampered if the Act is brought into operation too soon. Certain goods are put up for export from Australia, and if the Act were brought into operation



hurriedly, it might be impossible to execute from existing stocks a large number of orders. Similarly, manufacturers of imported goods might be required to supply special trade descriptions, and would find it very difficult to do so in time to execute their orders.

Sir WILLIAM LYNE.—I am prepared to meet the honorable member in the way suggested.

Amendment, by leave, withdrawn.

Amendment (by Mr. G. B. EDWARDS) agreed to—

That the words “not being earlier than six months from the passing of this Act” be added.

Clause, as amended, agreed to.

Clause 2 agreed to.

Clause 3—

In this Act, unless the contrary intention appears—

“Officer” means an officer of Customs.

“Trade description,” in relation to any goods, means any description, statement, indication, or suggestion, direct or indirect—

- (a) as to the nature, number, quantity, quality, purity, class, grade, measure, gauge, size, or weight of the goods; or
- (b) as to the country or place in or at which the goods were made or produced; or
- (c) as to the manufacturer or producer of the goods or the person by whom they were selected, packed, or in any way prepared for the market; or
- (d) as to the mode of manufacturing, producing, selecting, packing, or otherwise preparing the goods; or
- (e) as to the material or ingredients of which the goods are composed, or from which they are derived; or
- (f) as to the goods being the subject of an existing patent, privilege, or copy-right,

and includes a Customs entry relating to goods; and any mark which, according to the custom of the trade or common repute, is commonly taken to be an indication of any of the above matters, shall be deemed to be a trade description within the meaning of this Act.

“False trade description” means a trade description which, by reason of anything contained therein or omitted therefrom, is false or likely to mislead, in a material respect, as regards the goods to which it is applied, and includes every alteration of a trade description, whether by way of addition, effacement, or otherwise, which makes the description false or likely to mislead in a material respect.

Mr. KNOX (Kooyong).—I should like to know at what stage the Minister proposes to give effect to the assurance of the Attorney-General that it is not intended to introduce a system of grading under the Bill. Would the Minister be agreeable to eliminate the words “class, grade” from paragraph a?

Mr. DEAKIN.—We cannot consent to the elimination of those words. It is not proposed to take power to make new grades, but if grades already exist, the goods must be truly marked.

Mr. KNOX.—Passing from that to another point, I move—

That the words “a Customs entry relating to goods and,” lines 26 and 27, be left out.

Customs entries are passed by junior clerks, and hundreds of them have to be dealt with every day. Under the Customs Act much trouble and vexation was caused owing to the practice adopted by the Customs authorities of regarding mistakes in Customs entries as sufficient ground for instituting prosecutions. Surely if it be necessary to furnish a trade description of certain goods, such description should be supplied by means of some specific document which would come under the notice of the principals of a firm, and not by means of a Customs entry passed through in the ordinary daily routine? I think that it would be improper to make the penalties provided for in the Bill apply to a false entry made by some junior clerk without the knowledge of his principals. This is one of the points which I have been asked by the chambers of commerce to impress upon the Minister.

Sir WILLIAM LYNE (Hume—Minister of Trade and Customs).—I merely wish to say that I cannot accept the amendment of the honorable member, and I would direct his attention to the fact that the words of which he complains have been taken from section 1 of the Imperial Merchandise Marks Act of 1891.

Mr. DUGALD THOMSON (North Sydney).—I would point out to the Minister that under the Customs Act he has power to punish any individual for making a false entry, altogether apart from the provisions of this Bill. The honorable gentleman has stated that the words, “and includes the Customs entry relating to goods,” appear in the Imperial Merchandise Marks Act. The reason for that is obvious. The primary object of that Act was to establish the true source of origin of goods. In many Customs entries the source of origin is stated for the purposes of British statistics, and any false statement in that connexion would very properly be considered a contravention of the Act. Here, however, the situation is a very different one. Under clause 7 the Minister may insist

upon the fullest trade description of goods being supplied. He may insist that that description shall set out every ingredient which is contained in an article. The clause under consideration will require that in the Customs entry a full description of every line of goods shall be given. Sheets of paper would be necessary to supply that description in connexion with some imports.

Mr. DEAKIN.—All that the clause provides is that the description must be a true one.

Mr. DUGALD THOMSON.—A "trade description" is defined by clause 3. Under clause 7 the Minister may insist upon that trade description containing certain information. If he does insist upon that, will not clause 3 compel the information in question to appear in the Customs entry?

Mr. DEAKIN.—The whole of it?

Mr. DUGALD THOMSON.—Yes.

Mr. DEAKIN.—No. Whatever is stated in the Customs entry must be true, and in accordance with the description of the goods as specified in paragraphs *a* to *f*.

Mr. DUGALD THOMSON.—Let me take as an illustration an article such as mustard, which contains a number of ingredients. The Minister may say that a description shall not be a true description unless it sets out all those ingredients, and gives their proportions. Under the Customs Act the maker of any false entry can be punished. Why should a Customs entry contain the whole trade description which may appear on the label of any article?

Mr. DEAKIN.—I do not read the clause in that way.

Mr. ISAACS.—The honorable member will see that the provision is to be applied in such manner as may be prescribed. Consequently, we may exclude Customs entries.

Mr. DUGALD THOMSON.—I think that there is very great doubt about it, and certainly anything which tends to increase the labour attaching to Customs entries is very undesirable.

Mr. DEAKIN.—I admit that. All I understand by this clause is that a Customs entry—like other statements in respect to goods—must accord with the trade description. That, however, does not render it obligatory to include the whole of a trade description in a Customs entry. However, I promise to look into the matter.

Mr. G. B. EDWARDS (South Sydney).—Under this clause, a Customs entry is a trade description, and a false trade de-

scription is defined to mean "a trade description which, by reason of anything contained therein or omitted therefrom, is false or likely to mislead," &c.

Mr. DEAKIN.—Yes, if it is a description which contains anything that is misleading. As long as one adheres to the truth he is safe.

Mr. G. B. EDWARDS.—The words "omitted therefrom" seem to me to strengthen the contention of the honorable member for North Sydney that if the clause be rigidly construed it will compel importers to include the whole formula of any article in a Customs entry.

Progress reported.

## ADJOURNMENT.

HOURS OF SITTING: MAIL CONTRACT:  
EARLY LETTER CLEARANCE.

Mr. DEAKIN (Ballarat—Minister of External Affairs).—In moving—

That the House do now adjourn,

I wish to make the usual announcement that next week business will be proceeded with in the order in which it appears upon the paper. We shall first deal with the Commerce Bill, and consideration will then be devoted to the Representation Bill, the Census and Statistics Bill, and the Manufactures Encouragement Bill, in that order.

Mr. STORRER (Bass).—I would ask the Prime Minister to consider the advisableness of increasing the hours of sitting. Already there are nearly forty items, comprising Bills and notices of motion—all of considerable importance—upon the business-paper, and if we proceed as we have been doing, I fear that, at the close of the session, a number of valuable measures will be sacrificed.

Mr. KING O'MALLEY.—I object to increasing the hours of sitting unless the allowance to honorable members is increased proportionately.

Mr. CULPIN (Brisbane).—I wish to draw the attention of the Prime Minister to the following statement which appears in the *Age* of to-day—

The mail subsidy of £120,000 a year is not paid for visits to Sydney and Melbourne, but for the conveyance of letters from Great Britain to the most convenient ports of Australia, whence they can be circulated by rail and other means to all the States of the Union.

As a matter of fact, that statement is not correct.

Mr. MAHON.—It is correct.

Mr. CULPIN.—The new contract states that—

After the due delivery at Adelaide of all the mails intended to be delivered at that port, she shall continue her voyage to Melbourne and then to Sydney.

Mr. MAHON.—Nothing is charged for that continuance.

Mr. CULPIN.—By reason of that provision, I think it is only fair that Queensland should be considered in connexion with the new contract.

Mr. WILKINSON (Moreton).—As bearing upon the matter which has been called into question by the honorable member for Coolgardie, I wish to point out that, although the contract for the carriage of mails specifically terminates at Adelaide, it does not state that the Orient Company's tender was not materially increased by the insertion of the provision which requires the mail steamers to be fitted with refrigerating chambers for the carriage of Australian produce to the European market. No provision is made in that contract for the mail steamers continuing their voyage to Queensland, but it is expressly stipulated that they shall continue their voyage to Melbourne and Sydney. It is quite possible that had we omitted the conditions as to refrigerating machinery and cool chambers, we might have received a tender at a very much lower rate than we have at present to pay, and inasmuch as Queensland is being called upon to pay part of the subsidy to the Orient Company, I am at one with the honorable member for Brisbane in thinking that that State deserves some consideration in the shape of the extension of the service to the port of Brisbane.

Mr. WILKS.—On a point of order, sir, I should like to know what is the proper title by which you should be addressed when acting as Deputy-Speaker. Are we to address you as "Mr. Speaker," "Mr. Deputy-Speaker," or "Dr. Salmon"?

Mr. DEPUTY-SPEAKER.—On a previous occasion when the honorable member raised this question, I expressed the opinion that the practice of addressing the Deputy-Speaker in the State House—with whose practice I was most familiar—was the correct one. I have since consulted Mr. Speaker and others, and have found that I was wrong, and that the occupant of the Chair should be addressed as Mr. Speaker.

Mr. MAHON (Coolgardie).—I should like to say that, in my opinion, the statement in the *Age* to which reference has been made, is perfectly correct.

Mr. WILKINSON.—It is not.

Mr. MAHON.—Had the honorable member taken the trouble to read the advertisement inserted in the newspapers inviting tenders for the mail service, he would have known that it was specifically stated that the mails were to be carried from a British port to Adelaide. Subsequently, much to my surprise, the further condition was imposed that the steamers should continue their voyage from Adelaide to Melbourne and Sydney. So far as I can recollect, no such condition was embodied in the form of tender adopted by the Watson Government. The honorable member has made no attempt to show that the new condition has added one penny to the cost of the service, and until he is able to do so, it is wrong for him to question the press statement in question, or to put forward the preposterous claim that the Parliament is bound to subsidize these steamers to continue their voyage to a port to which they would not be justified in going by the present trading facilities. Not long ago the same claim was put forward on behalf of Queensland in a very impudent fashion by a State Minister, with whose statement I propose to deal when we are called upon to discuss the contract on the motion to be submitted by the Postmaster-General. Before resuming my seat, I should like to obtain a little information from the Minister respecting an arrangement that was made by his predecessor shortly after the Reid-McLean Administration came into office. I refer to the fact that, in order to assist the wealthy proprietors of the Melbourne morning newspapers to secure a very early distribution of their journals along the Ballarat and Bendigo line, it was arranged that an early clearance of letters should be made. The late Postmaster-General undertook to lay all the papers relating to that incident on the table of the House, but that promise has not been fulfilled. Possibly the honorable member is not much to blame, because those who objected to the system should have reminded him of his promise. I wish to know, however, whether the Postmaster-General at an early date will lay on the table, not merely the departmental papers, but all other information that can be obtained regarding this system, so that we may have an

opportunity to consider it before the Estimates are dealt with.

Mr. DEAKIN (Ballarat—Minister of External Affairs).—Any papers that the honorable member for Coolgardie requires in connexion with the matter referred to will be laid on the Library table before the Estimates are dealt with. By placing them on the Library table we shall prevent them from being impounded by the House.

Question resolved in the affirmative.

House adjourned at 4.20 p.m.

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## House of Representatives.

*Tuesday, 19 September, 1905.*

Mr. SPEAKER took the chair at 2.30 p.m., and read prayers.

### PETITIONS.

Mr. KNOX presented a petition from certain residents of Kooyong, praying that stringent legislation be enacted to prohibit the importation of opium for smoking purposes into the Commonwealth.

Mr. CROUCH presented three similar petitions, two from white residents, and one from Chinese and Japanese residents of the Commonwealth.

Petitions received.

### ORIENT MAIL CONTRACT.

Mr. HUTCHISON.—I wish to call the attention of the Prime Minister to the following report of a speech made by the Governor of South Australia:—

The only blot upon their prosperity was the way in which they saw, for a certain period of the year, mail steamers flying by this State, which had to be content with getting mails and cargoes second-hand from another State. He took a great interest in everything which would benefit South Australia, and while he could not take a prominent part officially, because the necessary action was not in the hands of the State Government, he did what he could to maintain the rights of South Australia in the matter, and to remove the great injustice done to this State. When he spoke to one in the highest authority in the Commonwealth, he was met with the answer that no public representation on the subject had been made by the people here on the subject. This loss of the mail steamers must not occur again, for if it did it would be fraught with the most serious consequences.

Mr. DEAKIN.—From what newspaper is that report taken?

Mr. HUTCHISON.—The Adelaide *Advertiser*, of Monday last. The speech was made at the Commercial Travellers' dinner.

Mr. DEAKIN.—I have read that report.

Mr. HUTCHISON.—I wish to ask the honorable and learned gentleman if he does not consider that it is time that the Governor of South Australia was asked to remember his position, and to abstain from interfering in business other than that which he is supposed to transact on behalf of his State, and from making public statements, some of which are not merely inaccurate, but most unwarrantable and intolerable?

Mr. DEAKIN.—A gentleman present at that dinner has informed me, as he thought that my attention might be directed to the matter, that the newspaper report of His Excellency's speech conveys to readers an impression different from that received by his hearers. I understand that the Governor was referring to the inconvenience suffered by the State when, for a time, during the Reid-McLean administration, the Orient mail steamers ceased to call at Largs Bay.

Mr. HUTCHISON.—The Governor of South Australia is always making partisan statements.

Mr. DEAKIN.—These remarks were addressed to a gathering of commercial travellers, and had relation to mercantile operations.

Mr. FISHER.—The honorable and learned gentleman will sympathize with Queensland on this account.

Mr. DEAKIN. It seems impossible to deal with the circumstances of any one State without being supposed to sympathize with or differ from the views held by the people of some other State.

Mr. BATCHELOR.—Will the Prime Minister make inquiries as to the truth of the statement of the Governor of South Australia that—

When he spoke to one in the highest authority in the Commonwealth, he was met with the answer that no public representation on the subject had been made by the people here on the subject?

The inference is that the interests of South Australia were not looked after by the representatives of that State in this House. Will the honorable and learned gentleman also ascertain whether the following statement is correct:—

He tried, at the time of the mail difficulty, to serve the interests of the State faithfully?

I should like to ascertain what steps the Governor of South Australia took in that matter.

Mr. DEAKIN.—I will have the records relating to the mail subsidy examined.

### DEFENCE ACTS REGULATIONS.

Mr. PAGE.—In view of the statement of the honorable and learned member for Corio, which has not been denied, that Artillery rankers desirous of submitting themselves for examination for commissions are asked questions, by a special board of officers, about the social position and status of their families and relatives, will he request the Minister of Defence to see that similar questions are put to the officers now holding commissions?

Mr. DEAKIN.—I would rather that no such questions were put under any circumstances to any person.

### METRIC SYSTEM.

Mr. G. B. EDWARDS asked the Prime Minister, *upon notice*—

Whether the Government intend to introduce this session any legislation dealing with the weights and measures of the Commonwealth; and if not, whether any such proposals next session will include a provision for the adoption of the metric system by proclamation of the Executive, should that system be adopted by the Government of the United Kingdom?

Mr. DEAKIN.—The answer to the honorable member's question is as follows:—

A Bill is being drafted on the subject, but it is doubtful whether it can be considered this session.

Probably in such Bill power will be taken to introduce the metric system when such a course may seem desirable.

### COMMERCE BILL (No. 2).

*In Committee* (Consideration resumed from 15th September, *vide* page 2414):

#### Clause 3—

In this Act, unless the contrary intention appears—

“Officer” means an officer of Customs.

“Trade description,” in relation to any goods, means any description, statement, indication, or suggestion, direct or indirect—

- (a) as to the nature, number, quantity, quality, purity, class, grade, measure, gauge, size, or weight of the goods; or
- (b) as to the country or place in or at which the goods were made or produced; or
- (c) as to the manufacturer or producer of the goods or the person by whom they were selected, packed, or in any way prepared for the market; or

- (d) as to the mode of manufacturing, producing, selecting, packing, or otherwise preparing the goods; or
- (e) as to the material or ingredients of which the goods are composed, or from which they are derived; or
- (f) as to the goods being the subject of an existing patent, privilege, or copyright,

and includes a Customs entry relating to goods; and any mark which, according to the custom of the trade or common repute, is commonly taken to be an indication of any of the above matters, shall be deemed to be a trade description within the meaning of this Act.

“False trade description” means a trade description which, by reason of anything contained therein or omitted therefrom, is false or likely to mislead in a material respect as regards the goods to which it is applied, and includes every alteration of a trade description, whether by way of addition, effacement, or otherwise, which makes the description false or likely to mislead in a material respect.

Upon which Mr. KNOX had moved by way of amendment—

That the words “a Customs entry relating to goods and,” lines 29 and 30, be left out.

Mr. GLYNN (Angas).—There are several amendments which I should like to move in an earlier part of the clause, and perhaps the honorable member for Kooyong will afford me an opportunity to do so. Honorable members will, I think, regard this as one of the most important clauses in the Bill, to which we should devote some attention. Since the circumstances are a little technical. It will be remembered that, among the objections taken to the Bill—to which I shall have to refer for the purpose of a few remarks with regard to the drafting of this clause—one was that it is a complete departure from the principle of English legislation; that, while in England the Act which prohibits the wrongful application to goods of trade marks and trade descriptions, simply penalizes those who use such marks fraudulently to pass off goods which are not of the character which they are represented to be, the Bill proposes to give power to the Minister to prescribe what description an importer or exporter shall place on his goods. Under the Bill the goods must be described according to methods of description prescribed by the Minister. In England the principle is that no description need be placed on goods, but that, if a description is placed on them, it must be a truthful one. There is great difference between the two positions. If a man is in

any doubt as to what a particular description may mean; as to whether by using it, he may not be likely to mislead purchasers, and so bring himself within the penal sections of the Act, he need not place any description on his goods. In other words, he may abstain from trying to puff them, or from claiming special advantages for them, by allegations as to their nature or origin. But, under the Bill, an importer or exporter must, in every case, describe his goods according to the method prescribed by the Minister. This is so vital a difference in principle that we must be careful to see that we do not amplify our definition of trade description beyond that contained in the English Act, and, as I think I shall show, in the States Acts.

The CHAIRMAN.—Does the honorable member for Kooyong desire to withdraw his amendment?

Mr. KNOX.—Yes.

Amendment, by leave, withdrawn.

Mr. GLYNN.—We must be very careful to narrow, within its clear necessities, the meaning of trade description. The Minister, so far from having done that, has most unreasonably and stupidly amplified it. It is a pity that, when the Bill was introduced, we were not given a definition of its provisions, which, while being, as it should have been, succinct, would also have been adequate and clear.

Mr. HIGGINS.—How does the honorable and learned member show that clause 3 compels the making of a statement as to what the goods are?

Mr. GLYNN.—Clause 3 alone does not do that. It defines a trade description, and is followed by other specific provisions. If the honorable and learned member refers to clause 7, he will understand the object which I have in view. I wish to show that the Bill differs vitally from the local and the English Acts, and that we should be careful not to amplify its definitions to increase the responsibility of those coming under it. The difference in principle to which I allude imposes a great responsibility on importers and exporters in Australia which is not imposed by the English Act, or the legislation of the States. I have complained that the Minister has not explained the provisions of the Bill with the clearness necessary for the proper understanding of it. It was not correct to say that this Bill was founded upon the Merchandise Marks of 1887. The Minister ought to have

told us that while there was no departure in principle from English legislation—

Sir WILLIAM LYNE.—I did not state that there was no departure in principle from English legislation. I stated that the Bill was based partly upon English legislation.

Mr. GLYNN.—The only legislation referred to was the Merchandise Marks Act of 1887.

Sir WILLIAM LYNE.—I also referred to the Trade Marks Act.

Mr. GLYNN.—The Minister's remarks upon that point conveyed nothing. In the first place he should have explained the difference in principle, and should have informed us that instead of adhering to the uniform provision relating to "trade description" running through the several State Acts, which follow the English Act, a varying definition had been adopted. He should have explained, further, that apart from the difference in principle, the provision with regard to trade descriptions was, when coupled with the penal clauses of the Bill, much more drastic in its effect than that contained in the English Act. Whilst the English statute merely declares that a trade description, in relation to goods, should include particulars as to the number, quantity, measure, gauge, or weight of the goods, paragraph *a* of clause 3 requires that particulars should be given as to the nature, number, quantity, quality, purity, class, grade, measure, gauge, size, or weight. It is remarkable that the added terms are words the definition of which is exceedingly loose, and the connotation of which is particularly indefinite. Instead of using the clear and accurate words which appear in the English and States Acts, almost metaphysical terms of vague and nebulous meaning are employed. The words "nature" and "quality" are very wide and indefinite. Very much the same could be said with regard to "purity," and, in a minor degree, with regard to the words "class" and "grade." The only added word with any definite meaning is "size," and that happens to be superfluous, because all the information necessary may be called for under the terms "number," "quantity," and "measure." The Minister appears to have desired to use as many words as possible, whereas the best method of drafting is to be precise and concise. The fewer words used consistently with accuracy, the better, because the multiplicity of terms really

leads to trouble in the Courts of justice. The definition given in the Bill is rendered dangerous by its tremendous expansion in substance through the addition of the words to which I have directed attention. If honorable members will look at paragraph *b* of clause 3, they will see that the draughtsman, following up the desire for novelty, is not content to leave the words as they stand in the English Act, but has transposed them, although the transposition has not effected any change in the meaning. In the English Act, the words "place or country" are used, whereas in the Bill the words are transposed. I do not see the object of that alteration, nor do I see that any useful purpose is served by the insertion of the words "or at," so as to make the paragraph read "as to the country or place in or at which the goods were made or produced." The new words do not grammatically fit in with the text, and, moreover, are superfluous. Paragraph *c* is an innovation—no such provision appears in the English or State Acts—which very closely approaches to the class of legislation sought to be introduced in connexion with the provision for the use of trade union labels. Information is to be supplied as to the manufacturer or producer of the goods or to the person by whom they were selected, packed, or prepared for market. I do not know why these words should have been inserted except as a corollary of the provision for the use of trade union labels. There have been other substantial additions to the provisions in the English and States legislation. Unless some clear and intelligent object is to be served we should aim at uniformity in legislation, and should follow as far as possible the terminology of Imperial legislation in regard to which a number of important decisions have been given during the last eighteen years. If we make our legislation uniform with that which has been in force in the United Kingdom we can secure a perfect application of Imperial decisions to our own Act. It is dangerous to depart from definitions which have been interpreted by the highest tribunal in the Empire. I have already mentioned that some of the State Acts deal with these very matters. Take the case of the South Australian Trade Marks Act of 1892. Part II. of that Act deals with the question of false and misleading trade descriptions, and follows exactly the termino-

logy of the English Act. It seems to me that it is even more incumbent upon us to follow as far as we can the definitions adopted in local Acts than to adhere to the wording of the English statutes. The States Acts are still in force and as the Bill before us deals only with trade and commerce with foreign countries, we should have a series of provisions dealing with the marking of goods differing in principle as regards goods intended for export, and those intended for home consumption. This is a serious matter. Surely this Parliament, which was created to bring about uniformity, ought not, at this early stage of its career, to set itself to promote diversity of practice. I do not know what position manufacturers will find themselves placed in under varving legislation of this kind. Surely they will not mark their goods for local consumption in one way, and apply different descriptions to those which are intended for export. They cannot separate their products, because large manufacturers do not manufacture purely for export from Australia. If this provision were struck out, it would be a good thing for the Commonwealth. All that is desired, namely, to prevent the use of fraudulent trade marks would be accomplished under section 52 of the Customs Act, which enables the Minister to stop importations, or under the States Acts now in operation.

MR. HIGGINS.—Does the honorable and learned member find any conflict between the States laws and the provisions of the Bill?

MR. GLYNN.—Yes. I have sought to point out that a conflict does exist. The States Acts follow English legislation, and the English statute does not penalize a man for not describing his goods, but only for applying to them false descriptions. A merchant is free to send his goods out without any description, but if he decides to describe them his description must be true.

MR. HIGGINS.—But has the honorable and learned member been able to point to any inconsistency?

MR. GLYNN.—I have been endeavouring to do so. I am arguing from the provisions of the Bill.

MR. GROOM.—The honorable and learned member's argument is that we should so frame the Bill as to bring it into accord with the States laws.

Mr. GLYNN.—I say that it should not be passed at all, because it is not necessary. English legislation, which has accomplished everything required, has been embodied in the statutes of the States. I do not see why we should change the principles of English legislation, when there is no apparent necessity for so doing. If the Bill were passed a manufacturer would have to apply to all goods intended for export, the description prescribed in this measure, whereas, in order to comply with requirements in regard to goods intended for home consumption, he would have to refer to an entirely different set of laws. Besides, it would require all the ingenuity of a lawyer to discover beforehand whether a particular trade description was or was not misleading in some material particular.

Mr. HIGGINS.—Is the honorable and learned member's objection to clause 7?

Mr. GLYNN.—It goes to the root of the Bill. My object is to point out that in our definition of "trade description" we ought not to increase the risk of manufacturers incurring penalties by amplifying—where it really is unnecessary—the meaning of the words beyond the limit suggested by the Imperial Act of 1887 and the various States Acts dealing with this subject. Where the Minister has departed from the definition in the English Act he has very seriously increased the risks to persons engaged in external commerce. The use of the word "nature," the very first one in paragraph a, must have that effect. "Nature" is an abstract word which is exceedingly wide and indefinite. The Minister will make a man describe the nature of the goods that he is going to proclaim as coming within the meaning of this measure, and a merchant will have no option, in cases of doubt, but to apply a description and risk a prosecution. If it were not that I desire not to weary the Committee I could quote English decisions, reported in *Kerly on Trade Marks*, which show the difficulty that men experience in accurately describing their goods in relation to matters of quality or purity, which suggests the wisdom of the British Parliament in not making the definitions as wide—even where it is optional, as it is, under the English Act, to adopt them—as the Minister wishes to make them in this instance.

Mr. WILSON.—Having regard to the fact that the paragraph refers to the number, quality, and purity of the goods, is

not the use of the word "nature" mere redundancy?

Mr. GLYNN.—I think it is. The honorable member's impression would be strengthened by a perusal of the English decisions on the shorter meaning of "trade description" as used in the Imperial Act. There are words introduced into this clause that will make "confusion worse founded." They are at best duplications of meaning, and have a certain redundancy that is always dangerous.

Mr. WILSON.—Would it not be better to move to omit the word "nature?"

Mr. GLYNN.—I propose to do so in order to test the principle of this definition. The more words that are added to one that is already clear and accurate, the more indefinite its meaning becomes. The Court assumes that the Legislature does not use many words to express in any particular provision that which is already expressed by one. Redundancy in debating often leads to nothing, but it is a particular vice in an Act of Parliament. I shall move to strike out the word "nature" in order that the definition may be limited to that given in the English Act of 1887 and in various States Acts. The Trade Marks Act of 1892 of South Australia gives definitions of "trade description" and "false trade description," which are identical with those in the English Act, and differ materially in substance from the one which we have now under consideration. In support of my assertion I shall not do more than refer honorable members to Part II. of that Act. If we did not pass this definition the Bill would be emasculated and rendered unnecessary, but everything that ought to be done would still be possible under the Customs Act, the Trade Marks Bill, and the local Acts of some of the States.

Mr. GROOM.—I do not think that all the States have adopted the English legislation on trade marks.

Mr. GLYNN.—It is open for them to do so. We do not wish to impinge on their province. If they have no desire to adopt such legislation for local purposes, it is a matter that concerns only themselves. We cannot touch them so far as local production and consumption are concerned; but any misdescription of imported goods can be dealt with by the Customs Act. That Act gives wide authority, and by availing ourselves of its provisions we can accomplish anything that reasonably ought to be done under a Bill of this kind.



Mr. McLEAN.—Is the object sought to be achieved by the use of the word "nature" expressed in any of the other words in the definition?

Mr. GLYNN.—I think not.

Mr. McLEAN.—Are there any words which express the nature of the commodity?

Mr. GLYNN.—I think that the provisions with regard to that are sufficient. If one gave a definition of the number, quantity, measure, gauge, size, or weight of the goods—

Mr. McLEAN.—That would not meet a case in which butter was described as oleomargarine.

Mr. GROOM.—Does the South Australian Act provide any penalty for so describing butter or *vice versa*?

Mr. GLYNN.—Most decidedly. Such a case would be covered by the provision in regard to a "false trade description," which is identical with that of the English Act.

Mr. GROOM.—But the "nature" of the goods is not mentioned.

Mr. GLYNN.—A "false trade description" means a trade description which is false in a material respect in regard to the goods to which it is applied. Surely if tar were described as butter, that would be a false description within the meaning of this clause, even if the word nature were omitted.

Mr. McLEAN.—What if a man were requested to describe his goods correctly? There is no other word in the definition clause dealing with the "nature" of an article.

Mr. GLYNN.—I recognise the point at which the honorable member is driving.

Mr. GROOM.—What objection can there be to requiring a man to tell the truth in regard to anything?

Mr. GLYNN.—The difficulty of saying it. If the Committee wish the word "nature" to remain, I shall refrain from moving the amendment, although its use might lead to difficulty of interpretation, inasmuch as it covers far more than is intended. It does not, however, touch the substance of my objection. It is inadvisable, unless absolutely necessary, to use words the scope of which is far greater than the necessities of a measure require. The point which the honorable member for Gippsland has in view is perfectly intelligible. If the Minister desired, goods would have to be described.

Mr. McLEAN.—And if a man described them at all, some word would have to be used showing what they actually were.

Mr. GLYNN.—I can appreciate the force of the honorable member's argument, and am not prepared to say off-hand that by a reference to the subsequent part of this clause his objection would be removed. I shall test the question by moving the omission of the word "quality." It refers to part of what is covered by the word "nature," and the proposal to strike it out will not be open to the objection suggested by the honorable member for Gippsland in regard to the omission of that word. I cannot say at present that the object sought to be accomplished by the use of the word "nature" is not attained by another part of the Bill, but in order to avoid any misunderstanding, I move—

That the word "quality," line 9, be left out.

Mr. KING O'MALLEY (Darwin).—I trust that the Committee will reject the amendment. If the honorable and learned member had suggested another word more forcible than "quality," I should not have objected to its omission, but he has wholly failed to indicate what we should insert in its place. My desire is to add the word "colour" to the definition. In order to show the Committee that legislators all over the world are passing measures designed to protect the people from commercial immorality, I wish to read quotations as to what is being done in Canada and the United States. Whenever Congress passes a measure that is not in harmony with the ideas of a certain section of the people of this country, some honorable members invariably refrain from referring to it, but when it suits their purpose they are always ready to point to the United States as "the great example." In the *Age* of the 15th inst. the following paragraph appears under the heading of "Trade and Finance":—

Attention is drawn to the fact that on the 1st of the present month the new regulations governing the importations of food products into the United States came into force. As the matter of dealing with Australian products is now under legislative consideration, it may be well to call attention to the action taken by the United States.

This is what is being done in the great republic—in the country where they have wooden hams and log nutmegs—

The new regulations referred to are intended to prevent the landing in the republic of any but pure food articles, and to put a stop to the

continued importation of impure food, unless it is so distinctly marked that consumers cannot be deceived as to its real character. It is specified that all food products shall be designated by their usual names, and that when any foreign substance is added to them, other than necessary to their manufacture, the label shall bear a statement to that effect. If a food product has been artificially coloured, or a preserve has been added, these facts must appear on the label.

Mr. G. B. EDWARDS.—That is what the honorable and learned member for Angas has been contending.

Mr. KING O'MALLEY.—I do not say that the honorable and learned member has not a conscientious objection to the clause as it stands—

Should sugar, which is usually used in sweetening certain food products, be replaced by any other substance for that purpose, such as glucose, this fact must appear on the label. Where any essential ingredient of a food product is abstracted, and such abstraction is not necessary or usual in the preparation of the product, the label must indicate the ingredient which has been removed. For instance, if a portion of butter fat should be removed from milk, such removal is to be noted in the label. All descriptive matter must be printed in the English language, and in all food products packed and shipped after 1st September, the descriptive matter will be required as a part of the original label. The regulations have been indorsed by traders, who admit that the desire to insure cheapness in food requisites has opened the door for the admission of adulterated articles that should not be permitted to go into consumption. The policy of stopping the sale of "make believes," by insisting that the contents should be shown on the package is an advance; add contents, weight or length, and then we shall get honest trade.

Almost every country with which we have to compete is imposing strict regulations, making it impossible for men to become millionaires through chicanery and fraud. How can Australia hope to compete in the markets of the world if we have a lower standard of commercial morality than have other countries? Think of the fact that Australia of all countries that sent products to South Africa during the war was the principal offender in reference to short weight.

Mr. G. B. EDWARDS.—Short weight in what article?

Mr. KING O'MALLEY.—Think of the fact that the experts of the British Army will not allow Australian leather to be used. Is Australia to be the only country that is afraid to tackle the problem for fear of losing a little business? I am glad that the Ministry has had the pluck to bring down this Bill. I hope to see it carried.

Mr. G. B. EDWARDS.—I wish they had the brains to understand it.

Mr. KING O'MALLEY. — They have the brains to understand it, and we have the brains to assist them to have it enacted. Nearly every advance that has been made in the world has been opposed by those who have benefited from the system sought to be improved. That had been the case in science, in literature, and in every department. The lineal ancestors of those who are opposing this Bill were the upholders of slavery, polygamy, and other things that are now regarded with horror.

Mr. G. B. EDWARDS (South Sydney). —The contention of the honorable member for Darwin with reference to the United States Act is not at variance with what honorable members on this side of the chamber have been trying to get in this Bill. So far as I can make out from his reference to American legislation, it calls upon people who put in their goods ingredients which are not ordinarily used in such commodities to affix a label stating what is contained in them. That is precisely what the honorable and learned member for Angas contended should be done in this Bill. Ministers have never explained what the clause under consideration and clause 7, which is the crux of the Bill, are intended to do. It seems to me that they are taking powers which, if exercised to the full limit, would control the whole of our commerce, and would be in conflict with several of our States Acts referring to internal trade. I am a supporter of this Bill. I voted for its second reading. Its main provisions are such as any one who desires to see commerce conducted honestly must wish to see adopted. But power is given to do such a wide diversity of things that we do not know where the Executive will stop in compelling people to submit to regulations and to the whole paraphernalia of inspection. I have had some experience of what inspection means, and I say that this is one of the most dangerous powers that can be given to any Government. It enables inspectors to issue their fiat as to whether goods are to be exported as first, second, or third grade; in fact, as to whether they are to be shipped abroad with a chance of their bringing so much more or less money to the exporter. It is this dangerous power that I contend against. I wanted to pin the honorable member for Darwin to what I

think was really in his mind when he spoke of the short weight of Australian goods exported to South Africa during the war. I think he intended to refer to the jam trade. I wish to say that Australian jams were never sent to South Africa short weight. The packages were sold at the weight they contained. That fact has been brought out in the House of Commons, and Australian exporters have been completely exonerated from any attempt to "get at" the War Office or the general public. Coming from an honorable member who complains so much about the "stinking fish" cry, his reference to this subject was remarkable.

Mr. SPENCE.—Short weight butter was exported.

Mr. G. B. EDWARDS.—I cannot speak with regard to butter, but certainly the exporters of jam were paid for net weight, no matter what was contained in the tins. The packages were used by the Army in whatever way they thought fit, but there was no misrepresentation in regard to the weight of goods purchased. As to leather, I cannot speak so positively, but from what I have heard, I am quite prepared to believe that Australian leather is as good as any leather made in the world. It may be true that some leather is adulterated here as it is in other parts of the world, and it is for us to determine whether we shall call upon the manufacturers or exporters to say whether their leather contains any foreign ingredients. I am quite prepared to give the Government power to do that. But I am not prepared to pass this clause as it stands, though I cannot see exactly how to move in the direction of amending it. The clause would subject exporters and manufacturers to the prospect of being black-mailed at the instance of a staff of officials, whose word would have to be obtained as to the quality of the goods before they could be shipped. It is a fair thing to say that if a man exports leather which contains foreign ingredients, he shall declare what those ingredients are. But if the article is leather pure and simple, no Government should interfere to decide what the quality is. It would be sufficient to keep up the Australian good name if we put a bar to adulteration which might bring our trade into contempt. But I guarantee that if this Bill passes in its present form, before it has been in operation two years the whole commercial world of Australia will be up in arms against it.

Sir WILLIAM LYNE (Hume—Minister of Trade and Customs).—I hope the Committee will not pass the amendment. The word "quality," to my mind, is of great and grave importance. Even in regard to leather, which has been mentioned by the honorable member who has just resumed his seat, I know that the quality for certain purposes has been materially reduced by the application of certain chemical substances. Not only leather, but a variety of other products may be rendered inferior in quality by the use of adulterants.

Mr. G. B. EDWARDS.—But if the leather is pure, would the honorable gentleman allow the Government to step in and designate its quality?

Sir WILLIAM LYNE.—If it is known to be inferior leather, it should be so marked.

Mr. G. B. EDWARDS.—But under this Bill goods will be graded.

Sir WILLIAM LYNE.—The honorable member appears to be afraid of the word "grade." Honorable members opposite have been using it in a ridiculous manner. They know perfectly well what is intended. I will read what is done in Victoria, where grading takes place just as much as could be the case under this Bill. This is the way in which goods are graded in this State:—

Compulsory inspection under this Act takes place with regard to butter and cheese intended for export, and in regard to live stock and produce liable to carry any disease, such, for instance, as meat. The compulsory supervision with regard to the latter, however, extends only to inspection as to freedom from disease. Butter, after inspection, is marked either "approved for export" or "fit for pastry."

Those words "approved for export" are always contained in the Victorian Act.

Mr. DUGALD THOMSON.—That is a grading Act.

Sir WILLIAM LYNE.—It applies to quality.

Mr. DUGALD THOMSON.—If that is done it is grading.

Sir WILLIAM LYNE. — Honorable members opposite may call it what they like. They have been trying to make out that the object of this Bill is to apply to goods such terms as "Grade 1," "Grade 2," "Grade 3," "Grade 4," and so on. But they know perfectly well that there is no intention to do anything of the kind at present.

Mr. WILSON.—If power is taken to do it under this Bill what is to prevent its being done?

Sir WILLIAM LYNE.—It may be necessary, in some cases, to mark goods with a statement of their quality. But, to show the misconceptions that have arisen, take the case of apples. Some gentlemen connected with the trade came to see me. They had seen a copy of the Bill, and took fright because the words "quality" and "weight" were used in certain clauses. They thought that in future apples would have to be sold by weight instead of by the bushel. I pointed out that there was no intention to do anything of the kind, but that the object was, amongst other things, to fix the size of the case—to impose a standard for selling purposes.

Mr. DUGALD THOMSON.—There is no power in this Bill to do that.

Sir WILLIAM LYNE.—Yes; the word "size" is used.

Mr. DUGALD THOMSON.—That does not enable the Government to fix any size of case.

Sir WILLIAM LYNE.—If exporters do not agree to the size fixed, we can deal with them; but there is no doubt that they will do so.

Mr. DUGALD THOMSON.—I say there is no power in the Bill to fix a size for cases.

Sir WILLIAM LYNE.—I differ from the honorable member.

Mr. HIGGINS.—The honorable member for North Sydney should read clause 10 in conjunction with the clause under consideration.

Sir WILLIAM LYNE.—I told the honorable member on Friday that he was wrong. It is absolutely necessary to retain the word "quality." I have listened to the remarks of the honorable and learned member for Angas with a great deal of pleasure, as I always do, because they are always closely reasoned from his standpoint. I think, however, that the honorable and learned member is absolutely wrong in his view that we ought to adhere altogether to the wording of the English Merchandise Marks Act and the Acts of the various States. In Victoria, and I believe also in South Australia, there are Acts dealing with questions of this kind, but I am not sure that such legislation has been passed in any of the other States. Whatever we do must be applicable to the whole of Australia; and one of the objects of this Bill is to secure uniformity. It is always better to have matters of this kind made certain and, although, as one honorable member has said, the object may

be achieved by the definition of another word, it may, on the other hand, not be covered. We ought to let the public and the commercial people know exactly what we mean. The word "quality" was in the Bill as originally drafted or prepared by my friend the honorable member for Gippsland.

Mr. ROBINSON.—The honorable member for Gippsland has stated distinctly that the Bill was not prepared by him—that he had never seen it.

Sir WILLIAM LYNE.—I understood that the honorable member for Gippsland had seen the Bill, and had given directions to have it prepared.

Mr. ROBINSON.—The honorable member for Gippsland said that he had never revised the Bill.

Sir WILLIAM LYNE.—That may be, but the honorable member for Gippsland gave directions to have the Bill prepared, I understand, under certain conditions; he may not have revised it in detail.

Mr. DUGALD THOMSON.—The honorable member for Gippsland said he had never altered the Bill.

Mr. WILSON.—The honorable member for Gippsland certainly said that he had never revised the Bill.

Sir WILLIAM LYNE.—That may be so.

Mr. ROBINSON.—Then why should the present Minister of Trade and Customs take shelter under a statement of the kind?

Sir WILLIAM LYNE.—The Bill was drafted according to the ideas of those to whom the honorable member for Gippsland gave instructions.

Mr. ROBINSON.—And those are the same officers who are now advising the Minister of Trade and Customs.

Sir WILLIAM LYNE.—Not, perhaps, the same officers. The word "purity" is not in the Merchandise Marks Acts, or any of the Acts of the States; and it has been deliberately inserted in the present measure, after discussion between the officers of the Department and myself, because it is felt that without it there will be a great weakness in regard to wine and other liquid commodities. There are other words which have been inserted for a similar reason. The honorable and learned member for Angas has the candour to admit that he would prefer to see the Bill rejected altogether; and, therefore, while his criticism may be directed to framing the Bill as nearly as possible in the shape in which he

would like to see it, we cannot forget that he has no friendly feeling towards it, and would like to see it rendered useless by allowing it to go no further than the present legislation. I hope the Committee will reject the amendment, because the definition has been thought out, and is directed to meet all cases. The great object of the Bill is to insure that foodstuffs, especially those which come in or go out of Australia, shall be pure—that every commodity shall be what it is represented to be. If a commodity is marked, and is bought with a mark upon it, that is the business of the purchaser; the object of the Government in introducing the measure is to secure that the public shall know what they are buying.

Mr. WILSON.—Will the Minister apply the Bill to foodstuffs only?

Sir WILLIAM LYNE.—No. I have, however, stated that I intend to submit an amendment.

Mr. DUGALD THOMSON.—What is the amendment?

Sir WILLIAM LYNE.—I indicated roughly what the proposed amendment is, and when we get further on with the Bill I shall be as good as my word. I know that many honorable members think the measure ought to apply to all goods, and, after what I saw the other day in connexion with boot manufacture, I am inclined to think that something should be done to stop the iniquity there disclosed.

Mr. WILSON.—This Bill would not affect such boots.

Sir WILLIAM LYNE.—I did not reply fully the other afternoon because honorable members were then in a hurry to catch trains, and I should like now to say that I am uncertain whether it would not be a good thing to apply this Bill to goods as between State and State, as well as to foreign goods. When we make further progress with the measure, I think it may be possible for some consideration to be given to that aspect of the case.

Mr. ROBINSON (Wannon).—There appears to be some misapprehension as to the practice in Victoria. The Victorian Act, dealing with exports, was passed in the year 1898, and there was much discussion in the State Parliament on the principle of grading. Finally, Parliament decided that all butter, for instance, of a reasonably good quality should be marked "approved for export," butter of inferior quality being marked "pastry"; the only pro-

hibition on export from Victoria was that of commodities not fit for human consumption. A suggested provision for dividing produce into various grades was persistently brought forward by the departmental officers, but was not inserted in the Bill. In 1901, an amending Bill was introduced into the State Parliament, and the departmental officers once more sought to have Victorian exports graded, but again Parliament refused to pass such a provision into law.

Mr. HIGGINS.—Owing to the opposition of the Legislative Council.

Mr. ROBINSON.—And also owing to strong opposition from a number of producers.

Mr. HIGGINS.—The provision was passed by a large majority in the Legislative Assembly.

Mr. ROBINSON.—When I was in the Victorian Legislative Assembly the Opposition was led by one of the best dairymen in Victoria, who is at the present time a member of the State Parliament. In the Legislative Council the grading principle was objected to by a member who was at that time, and is now, I believe, one of the largest dairy farmers in the State. These facts show that the principle of grading was not accepted in Victoria, and that the only prohibition assented to was in relation to produce unfit for human consumption. Regarding the question from its lowest stand-point, what is the good of a man exporting produce and branding it as of inferior quality? We have heard a good deal lately of "the stinking fish" policy, which would seem to be that adopted by the present Ministry. Buyers in London do not buy on the Government brand, but on the quality of the goods.

Sir WILLIAM LYNE.—I am informed quite differently.

Mr. ROBINSON.—If the Government brand goods as inferior, that only provides an excuse for the buyer to beat down the price, whereas goods, when not branded, have to stand on their merits.

Mr. HIGGINS.—In the States of America there are Government brands.

Mr. ROBINSON.—But how are we to get uniform grading from one end of Australia to the other? Are we to assume that departmental officers will all grade in exactly the same way? We need only ask the question to show the unreasonableness of the proposal.

Mr. DUGALD THOMSON.—There might be contradictory grading between the States and the Commonwealth.

Mr. ROBINSON.—That is so; and the more one looks into the question the more difficult it appears. It has been repeatedly pointed out that this Bill would not cover the shocking examples which the honorable member for Darling laid before honorable members the other night.

Sir WILLIAM LYNE.—I think it will be found that the Bill does cover such cases.

Mr. ROBINSON.—The Bill applies only to goods exported from Australia, and the honorable member for Darling was referring to produce which is exchanged between the States, and which, as I say, would not be affected by the Bill in the slightest degree.

Mr. CHANTER.—The Bill would prevent the passage of goods which were not properly described.

Mr. ROBINSON.—It would not even do that. All the Bill provides is that, if goods are branded with a true description they shall be allowed to enter, but not otherwise. The honorable member for Darling gave instances of goods of local production sent from Melbourne to other parts of the Commonwealth; and that could not be prevented by the Bill. In this regard, the measure will give a premium to an industry of the kind referred to by the honorable member for Darling—an industry which ought to be discouraged. I hope the Committee will not accept the grading principle, seeing that the bulk of the producers do not desire it.

Mr. KENNEDY.—That is not the issue now.

Mr. ROBINSON.—The whole question hinges on that issue. Strong representations were made to me when I was a member of the Victorian Parliament against the adoption of the grading principle, and similar representations have been made to me during the past few months.

Mr. BATCHELOR (Boothby).—I understand that the honorable and learned member for Angas proposes that the Committee should eliminate the word "quality," not because he particularly objects to that word, but in order to test the question whether there shall be any provision whatever as to the grading or branding of goods for export—whether there shall be any Government regulation. Personally, I am in somewhat of a difficulty as to how to vote until I

know exactly what the Government propose. The intentions of the Government, and the amendments which it is proposed to submit, ought to be within the knowledge of honorable members before any vote is taken. Otherwise, I shall vote for the inclusion of the word; because we should then be free to recommit the Bill and strike it out, if necessary. It would, however, materially assist the Committee if, in dealing with a matter of this magnitude, we knew exactly what steps the Government proposed to take.

Mr. DUGALD THOMSON.—We are at present working in the dark.

Mr. BATCHELOR.—To a certain extent that is so. At present there is no Department to deal with matters of the sort under discussion; and we are entitled to know to what extent it is proposed to have Government inspection. I am in entire agreement with any proposal for classifying, if necessary, goods imported for human consumption, and for the accurate description of other commodities, so that the public may not purchase them in ignorance of their contents or quality. Of course, when we have to deal with exports, it must be made clear that we do not put into the hands of Customs officials a power practically to retard production in Australia. That might follow if those employed in this duty were not thoroughly qualified for the work. Under the Bill, an "officer" means an "officer of Customs." I suppose that if an expert were appointed, he would be made an officer of Customs, but certainly every Customs officer could not be intrusted with a very great deal of this work.

Mr. GROOM.—The expert would be under the Customs Department.

Mr. BATCHELOR.—There would be no difficulty in making him an officer of the Customs Department. What I mean to say is that it is essential that any man appointed to grade the quality and test the purity of goods, should be an expert. Butter, meat, wine, and fruit are, I suppose, the leading lines of exports to which the provisions of such a Bill as this would apply. No ordinary Customs official, unless he has had very large practical experience and possesses some amount of scientific knowledge, is qualified to grade these commodities. The grading of wine requires expert knowledge of a very special character. In South Australia, we intrusted the rejection of certain wines and

the granting of certificates of purity and soundness in respect of wines to Professor Perkins, a man whose qualifications in this respect are second to those of no other man in Australia.

Mr. FISHER.—What salary was he paid?

Mr. BATCHELOR.—I think he reached a salary of £800 a year.

Mr. G. B. EDWARDS.—Does he grade or does he say that one article is pure and that another is not pure?

Mr. BATCHELOR.—He does not really grade. I think that he deals with only two classes, but honorable members will see that that requires quite as much expert knowledge as grading, because there is so much wine on the border line. Whether an officer has to grade into two or four classes, there is a border line in each case, and it is that which constitutes the difficulty. I gather from the remarks of the Minister that the question of uniform packing cases can be provided for under this Bill.

Mr. DUGALD THOMSON.—There is no power under this Bill to provide for that.

Mr. BATCHELOR.—It seems to me that there is. I shall not discuss the question, but honorable members who are better qualified than I am to interpret its provisions express the opinion that that power is undoubtedly contained in the measure. It seems to me that this clause, taken in conjunction with clause 10, gives that power. I should like to point out that while, in the opinion of fruit-growers, certain packing cases are best for the export of fruit to Europe, the fruit trade with the East requires a different method of packing, and requires a case in which there is a centre-piece. All these things must be taken into account, and the Government Department intrusted with the administration of this measure must be very careful not to hamper the trade of the Commonwealth.

Mr. G. B. EDWARDS.—The fruit trade with Northern Queensland will require cases made of the timber which can be got there.

Mr. BATCHELOR.—That is so. In South Australia, we grow no timber suitable for making packing cases. In some of the States, of course, the local timber is used for their manufacture. In some instances the outside dimensions of the cases will be governed by the materials used in their manufacture, but that is not a very serious consideration, because what will be insisted upon under Government inspection will be the capacity of the cases

and not their outside measurement. The honorable member for South Sydney, when speaking about the War Office contracts for goods sent to South Africa, contended that Australia had come very well out of the discussion which took place in connexion with those contracts, inasmuch as it was proved that the bulk quantity of the goods sent was in every case as specified. From my own observation, I am able to inform the honorable member that, in one case, at all events, a shortage would have been exported but for Government inspection. I shall not be any more definite, but honorable members may take my word for it that it was only because inspection by a Government officer was a condition laid down by the War Office that a shortage was discovered in the case of certain goods sent from one of the States.

Mr. G. B. EDWARDS.—Was that in South Australia?

Mr. BATCHELOR.—It was in connexion with certain contracts for goods sent to South Africa.

Mr. G. B. EDWARDS.—It was not in New South Wales.

Mr. BATCHELOR.—I do not know whether there was any inspection of goods supplied under those contracts in New South Wales.

Mr. G. B. EDWARDS.—Yes, there was.

Mr. BATCHELOR.—It is probable that a knowledge of the fact that the goods would have to pass a Government inspector was an incentive to those supplying the goods to see that they were full weight.

Mr. G. B. EDWARDS.—The contracts were for net weight.

Mr. BATCHELOR.—The goods had to be put up in certain-sized tins, as a rule. But in one case which came under my own observation the tins were not of the weight which they were stated to be, and but for Government inspection the net weight exported would have been short.

Mr. G. B. EDWARDS.—I exported goods under those contracts, and I know I was paid for what I delivered.

Mr. BATCHELOR.—I am not referring to any goods exported by the honorable member. Inspection as to quantity and quality might be a splendid thing for the reputation of Australia, and of great advantage to Australian producers if it is carefully and efficiently carried out. But it is really important that we should know to what goods this measure will apply. The Government should, as far as possible,

have the details of their proposal worked out, and they should take the Committee into their fullest confidence in respect to them.

Mr. JOSEPH COOK. — They are afraid that a little knowledge would be fatal to the measure.

Mr. BATCHELOR. — I do not think that the honorable member believes that. A little knowledge is better than none. I am sincerely anxious to assist the Government to pass a measure which will serve the purpose for which this Bill has been introduced. At the same time, I entirely agree with those who say that we should have very full information as to what the Government really propose to do before we are asked to give them such powers as are provided for in this measure. I can quite conceive the possibility of the export trade of some of the States being hampered by over officialism. We should know really what the Government propose under the measure before we consent to give them these very large powers.

Mr. KNOX (Kooyong).—It is refreshing to honorable members on this side to listen to so thoughtful a speech from the other side as that delivered by the honorable member for Boothby. All those who have made certain representations from this side agree entirely with what the honorable member has said. The consideration of the Bill is surrounded with difficulties, largely due to a want of knowledge as to how it will be practically applied. Men who from day to day are, throughout this Commonwealth, in constant contact with the exportation and importation of goods of all kinds hold the view that this measure is calculated to hamper trade. The honorable member for Boothby desires that no measure passed by this House shall have such an effect. The Minister is aware, from representations made to him by the Chambers of Commerce that the exporters and importers of the Commonwealth are entirely in favour of every clause and line in this Bill which will have the effect of preventing fraudulent representation in commerce and trade. It is because it is felt that this measure will not accomplish that object, but will have the effect of unnecessarily hampering trade, and will involve enormous expenditure if its provisions are to be satisfactorily applied, that so much resistance is offered to it. I would suggest that at this stage the Minister should take the Committee into his confidence, and

let honorable members know his decision in the matter so far as it was communicated to the Chambers of Commerce. The honorable gentleman explained that clause 7 was not to apply to goods other than articles intended for human consumption, and medicines and medicinal preparations recommended as beneficial for any portion of the human or animal body. So far as the measure will apply to these goods, we all desire to assist the Government in making it as effective as possible.

Mr. TUDOR.—Why not apply it to articles of wearing apparel?

Mr. KNOX.—I have quoted the opinion of the Minister. It was explained to the honorable gentleman at the time that that took the sting out of the measure, but that in various other directions it was impossible to apply the Bill practically.

Sir WILLIAM LYNE.—According to what is now being said, my statement does not appear to have taken the sting out of the measure very much.

Mr. KNOX.—We have had no definite statement that the Minister is prepared to come down with the proposed amendment. I am sure that the honorable gentleman intends to do so when we reach clause 7.

Sir WILLIAM LYNE.—I told the honorable member that I intended to fulfil my promise.

Mr. KNOX.—Honorable members do not understand precisely what it is the Minister proposes to do. I feel that the amendment proposed by the honorable and learned member for Angas re-opens the whole discussion on the principle underlying the Bill. The opposition to the measure arises from the belief that it will hamper trade and commerce to the detriment of the Commonwealth. So far as it will prevent fraud and misrepresentation in trade and commerce it will receive general support, and the Minister may be perfectly sure that every honorable member on this side will support any clause calculated to have that effect. But we have made representations which are based on practical experience, and they have not been made for the purpose merely of obstruction. We have every desire to make the Bill a workable measure, and it has therefore been very gratifying to us to hear the speech made by the honorable member for Boothby. It is clear that there are supporters of the measure who believe that its application requires very serious consideration. I believe that the honorable and learned member for Angas does not attach



too great importance to the meaning of the word "quality." The honorable and learned gentleman has simply shown that in its present shape the Bill is unworkable, and may do harm. We, therefore, ask the Committee to re-consider it, and our views in regard to it could not have been better stated than they have been by the honorable member for Boothby.

Mr. KENNEDY (Moira).—It appears to me that those opposed to this proposal argue on the assumption that the Minister and officers administering this Bill will leave nothing whatever undone to hamper trade.

Mr. KNOX.—We have had some experience of the administration of the Customs Act.

Mr. KENNEDY. — I take a view which is quite contrary to that of the honorable member, and I hold this view because of what I know of the supervision of exports in Victoria by State officials. Notwithstanding what the honorable and learned member for Wannon has said with regard to the intentions of the Victorian Parliament when a certain measure was before it, more particularly as to one article of export, the indirect effect of that legislation has been good, a considerable improvement in the quality of that one article being one of its results. I do not believe for a moment that where business is conducted on fair lines, and the goods which are imported or exported are what they are represented to be, there will be any interference on the part of the Customs Department; but I hope that whenever dishonest practices occur in regard to either importation or exportation, to the detriment of the honest trader, the Minister will require the affixing of true descriptions to the goods concerned. By way of illustration I ask, should not the Customs Department be able to require an importer, after reasonable notice has been given to him, not to import as woollen goods what is really shoddy, or to import as linen what is cotton?—a fraud the existence of which was proved in our Courts a short time ago.

Mr. MALONEY.—Very respectable men were connected with it, too.

Mr. KENNEDY.—No fault may attach to those in the trade; but the public must be protected, and importers should be asked to clearly and distinctly describe the nature of their goods, and should be made responsible for their descriptions. With

regard to what has been said about grading, I do not believe that there is any danger of any hampering restriction being placed upon either the importer or the exporter. I am not alarmed about the possibility of an undue interference with our export trade in meat, butter, or fruit.

Mr. FISHER.—Is there an inspector of meat connected with the export trade of Victoria?

Mr. KENNEDY.—Yes.

Mr. FISHER.—We have had such officers in Queensland for ten years.

Mr. KENNEDY.—It is a pity that the first shipments of meat sent from here were not inspected, because the action of some of the exporters was such as to ruin our reputation for a time, so that it is only recently that we have recovered lost ground. The Minister is empowered under the Bill, not to restrict or hamper importation or exportation, but to assist honest traders. Every Act of Parliament imposes restrictions on the individual; but it is not intended to interfere with honest traders. The object of this measure is to prevent honest traders from being injured by the unfair competition of dishonest traders. In my opinion, if the amendment be agreed to, the efficacy of the Bill will be impaired.

Mr. DUGALD THOMSON (North Sydney).—It ought not to be necessary to assure honorable members, as has been done so often already, that underlying the opposition to various provisions of the Bill there is no desire to protect dishonest traders, though there is a desire to see that goods which bear a description are truthfully described, whether they be imported goods or goods for export. I wish to point out that the Bill does not profess to accomplish some of those things which honorable members think it will accomplish; and, further, that it will not successfully accomplish some of the objects aimed at. For instance, there is nothing to prevent the use of deleterious, injurious, or adulterated articles once they have been imported. The card-board which was exhibited here by the honorable member for Darling on Friday last can still be imported under a proper description, and used locally in the making of boots.

Mr. WEBSTER.—That can be prevented.

Mr. DUGALD THOMSON.—I do not see how it can be prevented by the Bill if the manufactured article is not exported from the State in which it is made. I

think, however, that we can deal with Inter-State trade.

Mr. GLYNN.—I doubt if the provisions of the Bill can be applied to Inter-State trade, because of the prohibition in section 92 of the Constitution against interference with the freedom of trade between the States.

Mr. DUGALD THOMSON.—I would not question the honorable and learned member's legal opinion, but, as a layman, I am inclined to think that we can deal with Inter-State trade. We cannot, however, deal with the manufacture and sale of goods within any State. Card-board could be imported under its proper description, if the Bill were in force, and made into boots which could be sold within the State as manufactures of leather without interference by the Commonwealth Government. Several honorable members, however, argue that the Commonwealth Government can prevent such transactions. Those who are supporting the amendment do not object to true descriptions of goods being required.

Mr. HUTCHISON.—Would the honorable member compel the placing of descriptions on all goods?

Mr. DUGALD THOMSON.—I do not object to a description being insisted on where that is necessary to prevent fraud, but I do not wish for insistence upon unnecessary descriptions. The Bill gives the Minister power to insist on, not merely true descriptions, but any descriptions which he or his officers may choose to impose. There may be no mis-description, the truth of the description being admitted by the Department, and yet the Minister may insist upon some other description as well. That is a very wide power to give to the Minister. I agree with the honorable member for Boothby that we should know to what goods it is intended to apply the provisions of the measure, as the desirability of certain provisions in the Bill will be much affected by that. It is time that the Committee had an intimation from the Minister as to the limitations which he will impose. The Minister stated that he would fix a certain size for fruit cases.

Sir WILLIAM LYNE.—A size which would be recognised by the Department as the proper size.

Mr. DUGALD THOMSON.—The proper size to hold certain quantities. I interjected that the Bill gave no power for that. The honorable member for Boothby very

properly urged that it would be very undesirable to fix one size only, because different sizes may be required for different destinations.

Sir WILLIAM LYNE.—If another size were used, it would have to be specifically branded.

Mr. FISHER.—The various sizes should bear a certain proportion one to another.

Mr. DUGALD THOMSON.—Even supposing that it were desirable, the Minister would not be empowered to fix the sizes of the cases.

Sir WILLIAM LYNE.—There is nothing to prevent a man using any kind of case, so long as it is properly marked.

Mr. DUGALD THOMSON.—I contend that no power is conferred to fix the size of the cases used for packing goods for export. A man may send in a case containing 1 cwt. or 2 cwt., so long as he marks it accurately. The Minister may require that the case shall be accurately marked, but he cannot fix the size of the case to be used.

Sir WILLIAM LYNE.—We shall fix certain standard sizes, and if cases of other sizes are used, they will have to be marked accurately.

Mr. DUGALD THOMSON.—The standard cases will also have to be marked.

Sir WILLIAM LYNE.—Not necessarily.

Mr. DUGALD THOMSON.—I am merely pointing out that there is a great deal of misapprehension with regard to the measure, and that some further information is due to honorable members. I do not attach to the word "quality" the importance indicated by the honorable and learned member for Angas. I merely look upon his amendment as a test of the question of grading by the Commonwealth. I am certainly opposed to grading being done by the Commonwealth authorities, until arrangements have been made with the States for suspending their operations in that direction. It would be absurd to have two grading systems in operation at the same time. Not only would it lead to duplication, but also to confusion and dissatisfaction, owing to the differences of opinion which might exist between the graders of the Commonwealth and those of the States. We should be told clearly how the Minister intends to classify goods intended for export. Does he intend to follow the Victorian example, and grade butter as "approved for export," or as "pastry." I gather that he does, and, if

so, we shall at once have a duplication of grading.

Sir WILLIAM LYNE.—The Commonwealth Act will take precedence of all other Acts.

Mr. DUGALD THOMSON.—Still, I think it undesirable that we should, without entering into some understanding with the States authorities, undertake work which is already being performed by the States.

Sir WILLIAM LYNE.—All the States do not at present grade and mark goods for export.

Mr. DUGALD THOMSON.—But some of them do, and the Minister has not informed us whether he intends to exercise the powers conferred under the Bill in all the States, or whether he intends to accept as sufficient the grading which is now being carried on in some of the States. We are being asked to commit ourselves to a large expenditure, without any explanation from the Minister as to how far he intends to exercise the powers proposed to be conferred on him. The Victorian Act is perfectly clear. It is free from the uncertainty that attaches to the provisions of the Bill. In view of the very wide powers which are proposed to be conferred, and of the fact that the system which is to be established under the Bill is already in operation to a large extent in several of the States, we should proceed with the utmost caution.

Sir WILLIAM LYNE (Hume—Minister of Trade and Customs).—The honorable member has questioned me so repeatedly upon the question of grading, that I hardly understand what he means.

Mr. JOSEPH COOK.—We do not know what the Minister means.

Sir WILLIAM LYNE.—The honorable member has no desire to understand. He knows well what is intended. I think that the honorable member for Boothby will admit that it is impossible for me, before the measure is passed, to go into particulars as to how the whole of the detail work will be carried out under it. I shall not attempt to do anything of the kind.

Mr. HUTCHISON.—Very much will depend upon the regulations.

Sir WILLIAM LYNE.—Exactly. A great deal of the work performed in Victoria is carried out under regulations. What the Committee are asked to do is to approve of the main principles of the Bill, and to leave matters of detail to be dealt with by regulation. Honorable members cannot expect that before the Bill is passed

I shall instruct my officers to consult the authorities of the various States as to how grading shall be carried out, and also to confer with certain business men with regard to the trade descriptions and marks to be used.

Mr. POYNTON.—Surely the Minister can tell us whether it is intended to duplicate the arrangements of the States?

Sir WILLIAM LYNE.—It is intended that the Commonwealth shall deal with the matter after consultation with those States in which provision is made for the inspection and classification of goods intended for export. An endeavour will be made to arrange matters amicably.

Mr. WEBSTER.—In cases where the States Acts are operating successfully they will not be interfered with.

Sir WILLIAM LYNE.—I should not like to say that; but probably the States officers who are now carrying out the work for the States will act for the Commonwealth much in the same way that they are doing at present in other departments. It is not intended that there shall be any undue interference in cases where they have adopted satisfactory methods, but only that amicable arrangements shall be made. There is no desire to unduly interfere with the States methods, although Commonwealth legislation must, of course, supersede that of the States. I have here a statement with regard to what is being done in Victoria in this direction. I have previously read a portion of the memorandum, which proceeds as follows:—

Grading is carried out by the Department when requested by shippers, but is not compulsory. With regard to butter, the desirability of submitting to Departmental grading is being widely recognised.

When I was at Albury show a few days ago a number of persons interested in this trade told me that the desire to have the Victorian Government brand placed upon their goods was becoming universal, and that a great many persons in New South Wales were now sending produce for long distances through to Melbourne, in order that the Government brand might be affixed to their goods. The butter exported from Sydney is not graded by Government officials. I am not sure that some butter is not sent from localities near Sydney to be graded and exported from Melbourne. The statement from which I have been reading proceeds—

Two years ago, 22 butter factories submitted voluntarily to grading; last season there were 67,

and it is expected that before very long all those factories doing any export trade will come in. When this takes place, the intention of the Department is to have all butters approved for export graded first, second, or third grade, and those not coming within any of the grades will be marked "pastry." At present very little "pastry" butter is exported. The voluntary submission for grading, of other products, is also largely increasing. The Department grades and marks as follows:—

Mutton and lamb: prime, good, and plain. In each of these qualities there are the following distinctions of weight:—

"A"	...	28 to 35 lbs.
"B"	...	36 to 42 lbs.
"H"	...	Over 42 lbs.
"L"	...	Under 28 lbs.

Only a few shipments were graded last year, but the number submitted to the Department is increasing.

Rabbits are branded in Black, signifying "best," and in Red, signifying "seconds," and words "second grade."

Each quality is divided according to weight, into—

"Large"	...	Over 2½ lbs.
"Young"	...	2 to 2½ lbs.
"Small"	...	1½ to 2 lbs.

But in "seconds," instead of "large," &c., they are numbered size 1, 2, or 3. Practically all the rabbits exported are inspected and graded.

That indicates what is being done in Victoria. I need not weary honorable members by reading any further, but the memorandum goes on to deal with vegetable products, poultry, and other articles, and tends to show that the desire to have the Government mark affixed to produce is rapidly extending. I have been asked to say what new provision I propose to submit by way of restricting the operation of the Bill. I told the deputation from the Chamber of Commerce that my desire in the first instance was to deal mainly with produce, food-stuffs, and medicines. I have since thought over the question whether apparel shall not be brought within the scope of the Bill. I want to be fair to all concerned, and I propose to submit an amendment somewhat in this form—

Sections 7 and 10 shall apply only to articles for human consumption, or goods used in the manufacture of articles for human consumption, medicines, and medicinal preparations—

and I think I shall add the words "apparel and manures."

Mr. JOSEPH COOK.—What would be left out?

Sir WILLIAM LYNE.—A great many things. I do not pledge myself to the exact words. I have been endeavouring to ascertain the exact technical meaning of the word "apparel," but I have not yet obtained a

very clear definition. I think, however, that, without extending the scope of the Bill to every article of merchandise, something should be done to put a stop to the practices followed by some manufacturers, such as were indicated by the honorable member for Darling in connexion with boots and shoes, and the materials used in their manufacture. There is no desire, so far as I am concerned, to unduly restrict trade. Other Ministers may act differently, but I do not intend to unduly hamper or restrict trade. It is my desire to prevent the introduction of spurious articles such as are being imported into the Commonwealth, and are involving great destruction of human life. I refer particularly to infant foods.

Mr. MALONEY.—And clothing.

Sir WILLIAM LYNE.—My remarks do not apply to clothing to the same degree. I also wish to inform the honorable member for Boothby that when the Bill becomes law it is intended to consult persons interested in the export trade as to the proper trade descriptions to be adopted. We shall meet them in every possible way, and interfere as little as possible with what has been done in the past. We shall exercise the powers conferred upon us under the Bill, only in cases where dishonest practices have been indulged in. I have nothing more to add. I have sought to meet all the objections that have been advanced, and wish the Committee to clearly understand that it would be foolish at this stage, before the Bill has actually come into operation, to endeavour to go into every little detail to be dealt with under it. All that I can do at the present stage is to state generally what is the object which the Department seeks to carry out.

Mr. JOSEPH COOK (Parramatta).—I have listened to the Minister with a great deal of interest, but confess that he has given us no further information, except as to one point. I think that he succeeded in making it exceedingly clear that he is not going to allow whatever exemption he promised the Chambers of Commerce.

Sir WILLIAM LYNE.—I did not say anything of the kind.

Mr. JOSEPH COOK.—The Minister told us that he proposed to limit the operation of the Bill to all foodstuffs for human consumption, to medicine, and to apparel, or, in other words, to all that people consume in the way of goods, plus medicine,

and to all that they wear. I should like to know what will be omitted.

Sir WILLIAM LYNE.—A number of things—all piece goods, for example.

Mr. MALONEY.—We should omit nothing.

Mr. JOSEPH COOK.—I can quite understand the honorable member for Melbourne approving of this. He knows what scope the Minister intends this provision to have. If he had his way, he would prohibit the importation of anything that could possibly be made in Australia.

Mr. MALONEY.—I would prohibit anything coming in under fraud, and I think the honorable member would do the same.

Mr. JOSEPH COOK.—The honorable member is quite consistent. No one desires to shield fraud. The Opposition have just as great a desire to prevent it as have honorable members in the Ministerial corner; but, at the same time, we have no desire, under the pretext of stamping out fraud, to do anything that would hold up the whole trade of the port. If we could stamp out fraud by these ready methods, it would be a delightful thing to do, but I am sure that the only idea of the honorable member in regard to stamping out fraud in connexion with the trade of the port is to shut the port.

Mr. MALONEY.—The honorable member is dreaming.

Mr. JOSEPH COOK.—I hope that I am. At all events, from what the Minister tells us, he intends, notwithstanding anything he may have said to the Chamber of Commerce, to make this Bill broad enough to cover all that people consume in the way of food, and all that they need in the shape of apparel and medicine. That being so, what will remain outside the scope of this measure?

Mr. SPENCE.—Furniture, jewellery, piece goods, and other things.

Mr. JOSEPH COOK.—I am reminded by the honorable member's interjection that he showed us the other day a lot of boots made of inferior leather or pasteboard, which he said had been manufactured in Australia. How would he deal with such manufactures?

Mr. SPENCE.—By so amending the Bill that it would also apply to Inter-State trade.

Mr. JOSEPH COOK. — I am afraid that that would not help the honorable member. It would have no effect so far as the greater part of the product of such material was concerned. Only the other

day I saw a pair of boots, made in a local factory, costing a fair price, and supposed to be composed of good material. The little leather on the heel of one of these boots had worn down, and when the heel was opened it was found to be packed with paper. That kind of thing goes on in the States, and, although my honorable friends in the Ministerial corner talk about this Bill being calculated to prevent dishonest trade of that kind, they must know that it cannot do so.

Mr. WEBSTER.—The honorable member knows that we have not the power to pass a Bill that would touch that kind of trade.

Mr. JOSEPH COOK.—Quite so; and the honorable member shows by his interjection that he recognises that the Bill will be practically useless, so far as the prevention of dishonest trade is concerned. In connexion with our oversea and Inter-State trade it is not a matter of dishonest trading. The Minister proposes to take power to prohibit various goods if they do not comply with a certain description that he himself thinks right. He proposes, if necessary, to destroy the whole of such products, if they do not comply with the standard which he himself sets up. How will the question of dishonesty arise? The Minister himself will have to say what is dishonesty in relation to these matters, and from his decision there will be no appeal. If he sees a description applied to goods which may be honestly a mistaken one, is he to say that it is dishonest? Is he to prohibit those goods and to destroy the business of the persons concerned because a mistake which he chooses to call dishonest has been made? At the present time it is generally left to the law courts to determine what is dishonesty, except in relation to matters of Customs administration. Are we to let the Minister prohibit and despoil a man's business because the latter may have interpreted a trade description in a different way from the Minister himself? A man may have done so in an honest, open, and above-board way; but, because his description does not tally with the Minister's interpretation of what is necessary, is he to have the brand of dishonesty put upon him?

Mr. WEBSTER.—The Bill provides for such cases.

Mr. JOSEPH COOK. — It does not. The Minister would have complete power, not only to prohibit goods, but to confiscate them. There is to be no escape from

his decision except such action as he may take by way of grace. I do not think that any man conducting intricate business concerns, of which he may know a great deal more than does the Minister himself, should be treated in this way. Do not honorable members see that a business man's interpretation may be far more honest than that of the Minister, simply because the trader has a more intimate knowledge of the goods? The Minister may prescribe a standard for goods that in the long run may prove to be an inferior one. In order to comply with such a standard a man might have to produce an inferior article, whereas if left to himself he might produce a very much superior one. The Minister is to be the judge of all these matters. He is to prescribe the standard, gauge, measure, and everything else connected with the various goods coming under the operation of the Bill; but I say that neither he nor any of his officers has the requisite knowledge to determine their quality. Here is a case in point. A few years ago the Government of New South Wales assisted the fruit-growers to the extent of arranging a shipment of oranges for London and sending it there for them. A departmental fruit expert was sent to the various orchards to select the fruit, and I am told by the growers themselves that if this work had been left to them, they would have sent a different class of oranges from that which he selected. The result of this action was that the shipment—for which the Department paid the growers—arrived in London rotten, and was a huge failure. No shipment of oranges from New South Wales has since been tried. In that case a Government expert selected an inferior kind of orange for shipment to London, rather than take the opinion of those who had been in the business all their lives, and could have assisted him had they been permitted. Under this Bill, if a grower packed oranges, and they did not come up to the standard laid down by the officers of the Department, he might be held to be acting dishonestly—his goods might be confiscated, and his trade destroyed. It is all very well for honorable members opposite to "swallow" everything that the Minister says. The honorable gentleman does not know anything better with regard to all these matters.

Mr. DAVID THOMSON.—The honorable member does not know that we do "swallow" everything that the Minister says.

*Mr. Joseph Cook.*

Mr. JOSEPH COOK.—Some honorable members appeared to accept in a very docile way every statement made by the Minister. I hold that the Minister is not a fair judge of all the ramifications of the various industries that will be covered by the Bill.

Mr. AUSTIN CHAPMAN.—The honorable member knows that the Minister will not judge of these matters for himself.

Mr. JOSEPH COOK.—I am referring to the Minister and his officers. What does Dr. Wollaston, Mr. Smart, or any of the other officers of the Department know, for instance, about oranges?

Mr. CROUCH.—Why not appoint a board to act as general advisers to the Minister?

Mr. JOSEPH COOK.—We should then require an expert for every trade dealt with. The Bill, if it be passed, will simply duplicate all that has been done in this direction by the States. I do not expect for one moment that the States will surrender their right to overlook these matters in the way they are doing to-day. The Minister submitted figures showing that the State grading of butter and other kinds of produce was on the increase in Victoria. If they are doing well in this State, why do we need to meddle with them? Why not let them alone?

Mr. WEBSTER.—We are not dealing only with Victoria.

Mr. JOSEPH COOK.—When the Minister was speaking the honorable member interjected, by way of eliciting the fact that if a State were doing well in this respect, the Minister would not interfere with its administration. But the Minister must administer this measure, when it becomes law, for all the States or none. He cannot apply it to one State and let another go free.

Mr. WEBSTER.—The Commonwealth and the States may work in unison.

Mr. JOSEPH COOK.—Of course they may. The best way to secure that harmony would be, first of all, to obtain the consent of the Premiers of the States to such a measure as this. All efforts in that direction so far have elicited only a direct refusal on the part of the State Premiers. The matter was gone into very fully at the Hobart Conference, but the Premiers of the States would not agree to uniform action—they would not have any interference with their local arrangements. The Minister is now thrusting this Bill on them. They do not want it. Most of

them are in rebellion against it; but I suppose it is because we have nothing else to do that we are taking a hand in these affairs of the States. Huge problems are overshadowing us and knocking at the door for solution, but we have nothing better to do than to adopt this meddlesome attitude with regard to functions which, according to the Minister, are being well performed to-day by most of the States.

Sir WILLIAM LYNE.—I did not say that all the States are doing it, because they are not.

Mr. JOSEPH COOK.—I suppose the honorable gentleman is referring particularly to Victoria?

Sir WILLIAM LYNE.—To Victoria and New South Wales.

Mr. JOSEPH COOK.—If the States are doing the work well, I do not see why we should wish to meddle with them. Why not leave them alone? My contention throughout the argument has been that, with the elaborate Health Departments of the States and with the skill and experience at their command, they can do better by local arrangements than we can do by means of an unified and central authority. And there is no guarantee that when we set up to do this work the same practice will be found to have been adopted in all the States. It is not so now in respect of many matters. I apprehend that there will be the same difference in methods under this Bill. My complaint is that under the measure the Minister is taking powers to which he can find no parallel in the civilized world. I challenge him to say where there is any law like that proposed in this Bill.

Sir WILLIAM LYNE.—What about the passage read by the honorable member for Darwin?

Mr. HUTCHISON.—Some parts of the world must always lead.

Mr. JOSEPH COOK.—So far as I can ascertain, other countries that interfere in these matters confine their attention simply to imports, and leave exports severely alone.

Mr. KELLY.—There are several Asiatic countries in which the law is most stringent in regard to the importation of produce.

Mr. JOSEPH COOK.—I hope we are not following the example of Asiatic countries.

Mr. KELLY.—It seems like it.

Mr. JOSEPH COOK.—I am afraid that the honorable member is right. This is an Asiatic proposal I fear. The only thing that differentiates it from Asiatic practice is that in Asia the principle of prohibition is carried down to the lowest affairs of life. They have prohibition of localities as well as of countries. But I repeat that the Minister and his officers cannot do what is proposed half as well as it is being now done in the States.

Mr. WEBSTER.—Not in all of the States.

Mr. JOSEPH COOK.—In most of them. The honorable member, of course, refers to those States where it is not being done by the Government. But it is done none the less. Every pound of butter that leaves Australia is graded—if not by the Government, by some other experts. A gentleman who came to Australia from London lately was very emphatic in his statement that the Government brand on butter gave it no extra value. Buyers purchase after testing the quality. The Government brand, he says, does not make the slightest difference to the large buyers of butter in London, who are well able to look after themselves. What will happen if this Bill is passed I am afraid is that less and less of our second-quality stuff will be sent abroad. Some honorable members may say that that will be a good thing. I do not agree with them.

Mr. KNOX.—There is always a market for inferior grades.

Mr. JOSEPH COOK.—The great bulk of the working people in the older countries of Europe can never hope to buy anything but second-quality fruit, butter, cheese, and bacon. They cannot afford to buy the best. What will probably result from this Bill is that we shall shut ourselves out from that market, which is by far the largest in Great Britain at the present time. We ought to allow our exporters to send away what they like so long as it is sent honestly and fairly. We can always rest assured that the buyers at the other end will take good care to differentiate in matters of quality and price. If any action is to be taken to put a Government stamp or brand upon our exports, it ought to be with the concurrence of the States. The Minister of Trade and Customs ought not to put his meddlesome foot into the local arrangements of the States, probably interfering to the detriment of the trading and producing interests of Australia. The Minister has laid down the

delightful doctrine that all we need to do is to enunciate a few general principles in the Bill, and to leave the details to be worked out by him and his officers. That is to say, according to his contention, we ought to say in the Bill that the butter exported shall be "good butter," and leave everything else to him. I am not prepared to do that. The honorable gentleman mutters that I shall have to. I suppose that I shall. He has a majority behind him. But I exercise my right to protest, and call attention to the fact that honorable members do not appear to be giving such consideration to the details of the measure as I think they ought to do. The Minister says, "Leave the details to the Department."

Mr. ROBINSON.—Leave everything to the Department!

Mr. JOSEPH COOK.—Yes; I do not see why we need a Bill at all. I am sure that the present Minister of Trade and Customs would run Australia, if we only chose to let him do it. I remember reading a statement in the *Age*, purporting to be an interview with the honorable gentleman, wherein he declared that the Government were going to make people at the other end of the world do this, that, and the other. Give him the power, and I am sure that he would make folks "sit up." He likes nothing better, particularly if he can get a big journal to back him for all it is worth.

Mr. FISHER.—Does the honorable member think that is possible while we have a Parliament sitting?

Mr. JOSEPH COOK.—I think that the strangest possible things may be done while this Parliament is sitting. Things are being done every day that I venture to say never could happen if we had a Parliament looking after such matters, as it ought to do.

Mr. SPENCE.—Then where is the Opposition?

Mr. JOSEPH COOK.—It is doing its very best, but it happens to be in a minority. The honorable member and his party are at the back of the Government, and are supporting it in some strange things too—some of them contained in this Bill. Take the case of harvesters.

The CHAIRMAN.—Order! I think that has nothing to do with this Bill.

Sir WILLIAM LYNE.—I graded the harvesters all right.

Mr. JOSEPH COOK.—But the honorable gentleman has not yet proved his state-

ments. He can grade anything under this Bill. He can prescribe anything, and there is no appeal from his decision. In the past, kings cut people's heads off because there was no one to say them nay. If this Bill once gets on the statute-book, the Minister will be the Pooh-bah of commerce in Australia, and will be able to work his own sweet will as to what is to come into the country and what is to go out of it. There may be something to be said for a despotism so long as it is benevolent, educated, and intelligent; but I am not prepared to make the honorable gentleman a despot. I know him too well. I know the many blunders he has made during his administrative career, both in his own State and since the commencement of Federation.

Sir WILLIAM LYNE.—I did something that the honorable member's party never did.

Mr. JOSEPH COOK.—There is no doubt that the honorable gentleman does things, some of which would be better left undone. Very often he has done things that the interests of Australia would have best been conserved by not doing. Those things are nothing to glory in, or to gloat over. He has done many things in the way of administration that I should be sorry to have my name associated with.

Sir WILLIAM LYNE.—I am very proud of them.

Mr. JOSEPH COOK.—I am sure the honorable gentleman is. He has a happy knack of doing some things and shunting off the consequences. That is another feature of his political history. He has done many things that have brought him kudos, but some one else has had to shoulder the burden—or, to put it vulgarly, has had to whip the cat for him.

Mr. WEBSTER.—Are we to be treated to a biography of the Minister?

Mr. JOSEPH COOK.—He is asking to be trusted with enlarged powers, and I am giving reasons why he should not have them. A very much abler and better man than he ought not to have such powers. No man ought to have them. I believe that the honorable gentleman will do his best to accomplish what he thinks ought to be done, according to his lights. But I would not give these powers to any one, because I do not think that any one man has the requisite knowledge, fairness, and judgment to deal equitably with all the trading operations of Australia. If, however, the Bill is to go through, I hope that it may be



possible to prescribe a general fruit case for the Australian trade. I believe that, by the process of marking cases as containing imperial bushels, half-bushels, and quarter-bushels, it would be possible to prescribe a general case. If the Minister were to prescribe that fruit must be put up in such cases, the fruit-growers of Australia would, I believe, readily subscribe to the standard. It is not so much a common shape as a common quantity per case that is required. That is to say, fruit-growers have agreed that the imperial bushel should be the standard, so that a person purchasing a case would know exactly how much fruit it contained. At present growers put what they like in their cases. Some give as little as possible; others give full measure, pressed down and running over. This reform would be one of the most useful things that we could do by means of this measure. But, according to the Minister's own statement, what he wants to do is to prescribe common conditions for the whole of Australia as to matters which are now being better done by the States themselves. Therefore, we shall merely be duplicating machinery without securing more administrative efficiency. The Bill will be absolutely useless for the purposes for which it is intended, namely, to protect the honest trader and the consumer. It has been shown that it is impossible to protect the consumer. We cannot give him any guarantee of quality; because goods are open to manipulation after they leave the hands of the Customs officer, and it is not proposed to follow them into consumption. Therefore, in that respect, the Bill will fail. What we are asked to do—to protect honest people and to see that they get honest value—will be set aside by people who are already disposed to act dishonestly by the general public. The men who now impose dishonest values will still be able to do so by manipulating the goods after they leave the hands of the Customs officials. As to the real intention and motive of the Minister—as to the real gist of the measure—it has been abundantly shown again and again during this discussion that the objects sought will not be achieved. We had better leave this matter to the States, the authorities of which, with all their experience behind them, will be best able to safeguard the interests of the consumer and of the honest trader.

Mr. HUTCHISON (Hindmarsh).—The honorable member for Parramatta has told

us that there is as much desire on the part of himself and his followers as there is amongst honorable members on the Ministerial side to put down dishonest trade, and yet the only attempt that so far has been made to deal with the matter is sought to be destroyed by the Opposition.

Mr. JOSEPH COOK.—We suggest another way.

Mr. HUTCHISON. — The honorable member has suggested nothing practical so far as I have heard.

Mr. JOSEPH COOK.—I have suggested a conference of State Premiers.

Mr. HUTCHISON. — The honorable member has suggested a good many trade matters which ought to be left entirely without regulation. The chief objection raised to the Bill, and to this clause in particular, by honorable members of the Opposition is that the measure is too drastic—that it is an interference which will hamper trade. But we have heard very little indeed about protection to the consumer, who ought to be our first consideration.

Mr. DUGALD THOMSON.—The Bill will not protect the consumer. -

Mr. HUTCHISON.—I admit that the Bill will not entirely protect the consumer. For instance, many of the matters mentioned during the discussion are purely matters for the States. I was glad to hear the honorable member for North Sydney admit that we have power to regulate commerce between the States.

Mr. DUGALD THOMSON.—I think the Commonwealth may do so.

Mr. HUTCHISON.—I do not pretend to be a constitutional authority, but, so far, only the honorable and learned member for Angas has said that we cannot regulate commerce between the States.

Mr. GLYNN.—I do not give a deliberate opinion, but merely say that the matter is doubtful.

Mr. HUTCHISON.—That is what I understood the honorable and learned member to mean. It is said that the Bill proposes to give too much power to the Minister. My experience, however, is that powers of administration, such as these, are exercised in a very lax manner. Under the Customs Act, for instance, I am satisfied that, in the opinion of a good many of the electors, the members of the Government are not exceeding their duty in the way of administration; and it is repeatedly said that it is a pity we did not have the honorable and learned member for Adelaide

longer at the head of the Customs Department. Under the circumstances, I think we have nothing to fear in regard to the Minister exceeding the powers of administration proposed to be given him by this measure. If the Minister of Trade and Customs did exceed his powers, this House would bring him up with a round turn before he had time to do any real mischief to trade. The honorable member for Parramatta tells us that this Bill will be a duplication of the systems of inspection and grading which obtain in the States. But the Bill goes a great deal further in regard to imports and exports than could any measure in an individual State.

Mr. JOSEPH COOK.—A great deal further for the worse.

Mr. HUTCHISON.—For the better, I think. In South Australia, at the present time, fruit, poultry, rabbits, butter, lambs and other produce are graded; and I do not think that it will be contended for a moment that if this Bill becomes law the South Australian Government should no longer continue their work of inspection. My own opinion is that when the work is found to be well done the officers employed now will continue to be employed, and the standard set by the States experts will be accepted by the Customs officers. In South Australia I have heard none of the objections to grading which have been put forward during the discussion on this Bill. I have heard no complaint of a serious character, nor indeed of a trivial character, though it has been complained two or three times that the inspector cannot be in a dozen places at once. In regard to manures, for instance, which the Minister proposes to bring under this Bill, it is necessary that there should be some protection. In South Australia not only is the protection proposed by this Bill afforded, but all manures are subject to analysis.

Mr. POYNTON.—That was done without the assistance of the Commonwealth.

Mr. HUTCHISON.—Exactly. South Australia is the only State in which the analysis of manures has been carried out; and the idea is so good that I should like to see it extended throughout the Commonwealth.

Mr. CROUCH.—That has been done in Victoria for two years past.

Mr. POYNTON.—The Bill deals only with imports, and not with commodities made for use in the Commonwealth.

Mr. HUTCHISON.—A great deal of manure is imported, and the Bill ought to deal also with locally-made manures.

Mr. LONSDALE.—That is a State matter in which we cannot interfere.

Mr. HUTCHISON.—We can deal with manures under this Bill if we are willing to do so.

Sir WILLIAM LYNE.—We can deal with manures if they are sent from State to State.

Mr. HUTCHISON.—And inspection in this respect would be very good for all concerned. The South Australian people, I believe, get a fair proportion of the card-board boots mentioned by the honorable member for Darling.

Mr. KELLY.—Where are those boots made?

Mr. HUTCHISON.—They are made in Victoria, and sold in South Australia.

Mr. JOSEPH COOK.—Does the honorable member really say that card-board boots are made in Victoria?

Mr. HUTCHISON.—A great many things are done in the way of trade in New South Wales, Victoria, and also South Australia, with which I have no sympathy; and this Bill would assist in preventing dishonest practices of the kind. The whole objection to the Bill seems to be that it will interfere with trade; but honorable members lose sight of the fact that the only interference proposed is with dishonest traders. There is no attempt to interfere with the honest manufacturer, to whom, for the first time, this Bill offers protection.

Mr. DUGALD THOMSON.—The Bill goes further than that.

Mr. HUTCHISON.—And I am very glad to know that the Bill does go further. Unfortunately, in my opinion, the measure is not far-reaching enough, owing to the limits imposed by the Constitution. If this Bill, as it stands, becomes law, the lives of many infants will be saved, and that is an important consideration when we want population so badly. Recently there was a medical congress in Adelaide, and Dr. Armstrong, of Sydney, there stated that the total infant mortality of England is greater by 44 per cent. than that of New South Wales, and 25 per cent. greater than the infant mortality of Sydney. Dr. Armstrong went on to say that there are 10 per cent. more deaths from diarrhoea in Sydney than in England, although pneumonia and bronchitis are 150 per cent. greater in England than in

New South Wales, and the total infant mortality used to be greater in New South Wales than in England. What reason does Dr. Armstrong give for this reduction of mortality? He says that a vigorous enforcement of the adulteration of food sections of the Health Act have materially helped towards this end. Surely that is something at which it is worth while aiming. A great deal of the infants' food consumed in Australia is imported from different parts of the old world, and much of it, instead of being pure, is actually dangerous. I remember that at one time in Victoria some condensed milk, which had been imported, was found to have had 90 per cent. of the food ingredients extracted.

Mr. CROUCH.—That milk was made in Germany.

Mr. HUTCHISON.—This Bill will prevent any fraud of that kind.

Mr. DUGALD THOMSON.—That is not so.

Mr. HUTCHISON.—Undoubtedly it will, because the Minister will have power to confiscate and destroy such a product.

Mr. LONSDALE.—The Bill gives no such power.

Mr. HUTCHISON.—I know that the Bill provides that goods must bear a true description, but if milk were described as having had 90 per cent. of the food ingredients extracted, the Minister would doubtless confiscate it.

Sir WILLIAM LYNE.—Hear, hear.

Mr. SPENCE.—Milk so described would not sell.

Mr. HUTCHISON.—And there the Bill would show its effect.

Mr. LEE.—But milk of that kind could be manipulated after it left the Customs.

Mr. HUTCHISON.—If we set the example by passing this Bill, the States will follow, and see that milk is not tampered with after it leaves the Customs. The States will say—"The Commonwealth has done its duty, and now it is time for us to do ours." I am glad to see that in this regard Victoria and New South Wales are moving ahead of the Commonwealth; and their action is very necessary. The honorable member for Parramatta asked whether, if this Bill would deal with medicines, apparel, and food, what else there was for it to deal with? Up to the present I have not heard one word said about jewellery, for example. People are fleeced to a most astounding extent by false jewellery, which is nearly all imported.

Mr. JOSEPH COOK.—This Bill would not stop the sale of such jewellery.

Mr. HUTCHISON.—Undoubtedly it would. The Bill would compel importers of jewellery to affix a true description, showing the quality and component parts.

Mr. JOSEPH COOK.—Where would the description be?

Mr. HUTCHISON.—Where the regulations prescribe.

Mr. JOSEPH COOK.—On the box containing the jewellery, I suppose?

Mr. HUTCHISON.—It is not for me to say how the descriptions are to be affixed. The honorable member for Parramatta has urged that the Minister does not know how this provision about the true description is to be carried out; but the Minister very rightly retorts that he will have the help of the experts in the Department. When a similar law was proposed in South Australia, precisely the same arguments that we have heard to-day were used. But no injury whatever has been done in that State; on the contrary, its trade has improved greatly, and the consumer, the honest merchant, and the bungler are alike protected. I believe that a good deal of the produce which is sent abroad, and which gives Australia a bad name, is the result of ignorance on the part of the exporter.

Mr. WILSON.—Where has Australia a bad name?

Mr. HUTCHISON.—Our country has a bad name in England, on the Continent of Europe, in South Africa, and in America; indeed, I believe that in the last-mentioned country the importation of certain goods from Australia has been absolutely prohibited.

Mr. WILSON.—Is the honorable member of the "stinking fish" party?

Mr. HUTCHISON.—My desire is to remove any justification for the bad name which Australia may have. The honorable member for Parramatta says that buyers in the old country will ask for the quality they wish, and indicate the price they will pay. What protection is that to the consumer? Dealers in the old country are only too glad to buy margarine, and sell it under the name of butter. I remember seeing tons of it sold under the name of butter, and the people bought it as butter.

Mr. LONSDALE.—Did the honorable member know that it was margarine?

Mr. HUTCHISON.—No.

Mr. LONSDALE.—Then why does the honorable member say that it was?

Mr. HUTCHISON.—We got an expert to tell us. This practice became so bad in the old country that the British Parliament had to pass legislation declaring that no margarine, or other inferior oleaginous matter, should be sold as butter.

Mr. JOSEPH COOK.—There would be some sense in that; but we cannot do that.

Mr. HUTCHISON.—We can prohibit its importation into Australia.

Mr. WILSON.—We do prohibit it under the Customs Act.

Mr. HUTCHISON.—We can go further, and we can prohibit inferior goods being exported from this country. I have no more desire to see my fellow-beings in other countries injured than I have to see injury done to my fellow-citizens of Australia. The honorable member for Parramatta says that the buyer will see that he does not pay too much for inferior goods, but the consumer has often to take what he can get. We know that goods are sent from other parts of the world to Australia, and, in some instances from Australia to other parts of the world, which are unfit for human consumption.

Mr. CROUCH.—Does the honorable member believe that this Bill should apply to Inter-State commerce?

Mr. HUTCHISON.—Undoubtedly.

Mr. CROUCH.—Would the honorable member have a series of Customs-houses on the borders of the States?

Mr. HUTCHISON.—We might require an additional Customs officer or two. The honorable and learned member will admit that these matters are regulated to some extent in Victoria, as they are in South Australia, and there is no reason why we should not regulate trade between the States as well as trade with foreign countries. If honorable members will consult the evidence which has been given before the Tariff Commission in regard to liquor alone, they will find that some of the leading distillers agree that there is hardly such a thing as pure liquor coming into Australia to-day.

Mr. FULLER.—They also say that, after it is made up into bad whisky, the refuse is made into teetotal drinks.

Mr. HUTCHISON.—With regard to teetotal drinks, Mr. Saul Joshua says that a large proportion of poisons, including fusel oil, are used in the making of temperance drinks throughout Australia. The New South Wales Government Analyst says that 50 per cent. of the temperance drinks consumed in Australia are water coloured with

analyne dyes, and flavoured with amy! acetate. We have it admitted by the Government Analyst of Western Australia that at no time in its history have the liquors consumed there been so deleterious to health as at the present time.

Mr. TUDOR.—What about "Pinkey"?

Mr. HUTCHISON.—Exactly. Pinkey is a brand of wine which is responsible for the death or madness of hundreds of human beings in South Australia.

Mr. POYNTON.—Not hundreds?

Mr. HUTCHISON.—Hundreds, and not scores. When the honorable member for Grey goes back to Adelaide, I will be able to take him to one wine-shop where I have seen scores of men and women whose intellect has been imperilled by the consumption of the liquor referred to by the honorable member for Yarra.

Mr. KELLY.—Where does that wine come from?

Mr. HUTCHISON.—Unfortunately, I have to admit that it is made in South Australia.

Mr. KNOX.—This Bill would not apply to it.

Mr. HUTCHISON.—There is no reason why it should not, and I have to tell the honorable member that if possible we shall make the Bill apply to Inter-State trade. I may also inform him that some of the bad wines of Victoria and of New South Wales are sent to South Australia. There is bad wine made in every State of the Commonwealth.

Mr. KELLY.—The dreadful wine to which the honorable member refers seems to be made in the only State which has passed similar legislation to this.

Mr. HUTCHISON.—South Australia has not passed legislation similar to this Bill, but the South Australian Legislature will shortly be asked to deal with a very much more drastic measure. They would say in South Australia that this measure could not be as effective as it ought to be, because it does not go far enough. We should therefore have no hesitation in passing a measure which will be very mild as compared with the legislation which will certainly be passed in some of the States to prevent food adulteration. Another Government analyst says that half the whisky of commerce is simply silent spirit artificially coloured. That is surely something with which we can deal. It is well known that immature whisky contains a large proportion of fusel oil, which is well known

to be most injurious to health. The Committee will be failing in its duty if it does not give the Minister under this Bill power to prevent the sale of such compounds. Since I am giving information as to what is taking place in all the States, I may inform honorable members that Dr. Ham, Health Officer of Queensland, said some time ago that he found fruit syrups which had not even a nodding acquaintance with any fruit at all. Those syrups are sent to different parts of the Commonwealth. Dr. Ham also said that thirty-five chests of tea had been made by mixing magnetic acetate of iron with tea dust and sand rolled by means of starch into little pellets in imitation of genuine tea.

Mr. WILSON.—There is power under the Customs Act to prohibit that.

Mr. HUTCHISON.—I am aware that that power is provided under paragraph g of section 52 of the Customs Act, but if the Minister availed himself of that power to prosecute the offenders honorable members would say that he was exceeding his duty. What I have stated shows that the administration of the Act has not been sufficiently drastic.

Mr. WILSON.—The honorable member is showing that there is no necessity for this Bill.

Mr. HUTCHISON.—There is every necessity for it, because inferior goods are exported from one part of the Commonwealth to another, and I claim that the scope of this Bill can be made to extend to Inter-State trade. An amendment in that direction will certainly be moved. I direct the attention of the Committee to the fact that on 17th October last a deputation representing the Victorian Chamber of Commerce waited on the honorable member for Gippsland, who was then Minister of Trade and Customs, to ask him to prevent the importation of poisonous drugs. The deputation declared that there was being carried on in this State "a wicked, fraudulent, and widespread traffic whereby there is wholesale and continuous destruction to human life." Is it not time that we had a measure of this kind on the statute-book, when representatives of the Chamber of Commerce come before the Minister of Trade and Customs with such a declaration as that?

Mr. WILSON.—This Bill will not stop that.

Mr. TUDOR.—If the honorable member moves an amendment that will stop it, we will support it.

Mr. HUTCHISON.—It is the duty of every member of the Committee who is aware that destruction of life is going on as the result of the importation and consumption of deleterious drugs to assist in enacting legislation which will put an end to such a state of affairs.

Mr. KELLY.—The only way is to amend the Constitution.

Mr. HUTCHISON.—An amendment of the Constitution is not required. Dr. Gresswell, who was chairman of the Melbourne Board of Health—

Mr. TUDOR.—He was the best health officer in Australia.

Mr. HUTCHISON.—I quite agree with the honorable member. Dr. Gresswell said that adulteration was going on here.

Mr. WILSON.—This Bill will not prevent it.

Mr. HUTCHISON.—We can, under this Bill, prevent the introduction of any goods containing anything of a poisonous or deleterious nature. Let us consider what other countries have done in this matter. Even in Japan the use of saccharine in foods is absolutely prohibited. We could exercise our power similarly.

Mr. WILSON.—Would the honorable member prohibit the importation of saccharine?

Mr. HUTCHISON.—No; but I would restrict its use. I would not prohibit the importation of either opium or fusel oil, but I would prevent them from getting into human consumption.

The CHAIRMAN.—The question is the omission of the word "quality."

Mr. HUTCHISON.—I am trying to show that, if the word "quality" is left out, we cannot deal with the evils to which I have referred. It has been suggested by the Minister that he may bring down a schedule.

Sir WILLIAM LYNE.—No. I do not intend to do so.

Mr. HUTCHISON.—I would not object to a schedule, if it were provided that other goods besides those mentioned in it might be dealt with under a proclamation. Let us make the provisions of the Bill as wide as we can, instead of restricting them. The sale of boots with card-board soles must be largely responsible for cases of consumption, and other troubles amongst children, as the honorable member for Corangamite knows.

Mr. WILSON.—It would be better if parents did as I do, and let their children run about without boots.

Mr. HUTCHISON.—That would be a thousand times better than to let them wear boots with soles like sponges. I do not think that honest traders have anything to fear under the Bill, but I hope that the Committee will not agree to the striking out of the word "quality," or any other word in this clause, because it is our duty to make the provisions of the Bill as wide as possible.

Mr. LEE (Cowper).—The Minister told us that a great number of the people he met at the Albury show last week were in favour of grading.

Sir WILLIAM LYNE.—Those connected with the export trade, and especially those connected with the butter trade, are in favour of it.

Mr. LEE.—I received a letter last week, which shows that three-fourths of those connected with the butter industry in New South Wales are opposed to grading. The largest co-operative company in that State—

Sir WILLIAM LYNE.—The Byron Bay Company?

Mr. LEE.—No; I refer to a co-operative company which represents the largest number of farmers in the State. That company would be willing to have the Government brand placed on its produce if it would thereby gain an advantage, and only recently sent a man home to England to see if it is an advantage in the disposal of produce for butter to bear a Government brand. He has reported, however, that English buyers are not influenced by the Government brand. What they look for is the factory brand, and they buy on the reputation of the factory.

Mr. FISHER.—Does not the honorable member see that there is good reason for that, because of the misuse of the Government brand in Victoria?

Mr. LEE.—The representative of one of the largest Scotch butter importing firms gave sworn evidence in Sydney that a Government brand is of no value as establishing the quality of the produce on which it is placed. The brand is placed on butter when it is new, but that butter may afterwards, because of the market being unfavorable, be kept in a cool store for three or four months, during which time it may deteriorate, so that when sold for sale, although branded by

the Government expert as of first grade, it may be of inferior quality. The honorable member for Hindmarsh said that, in all probability, the Commonwealth would accept the grading of the States; but, in doing that, we should be no better off than we are now. The provision that goods must be properly described is no protection to English consumers. For instance, a creamery company might put on the market butter which was the greatest rubbish; but, if it described it as creamery butter, the description would be a true one, and would therefore satisfy the requirements of the Act.

Sir WILLIAM LYNE.—If the butter were inferior, that would have to be shown.

Mr. LEE.—The makers might not call it finest, or best, butter, but simply mark it creamery butter, and if it were butter which had been made at a creamery the description would be a true one. The action now proposed to be taken by the Commonwealth is twenty years behind the action which has been taken by the States. The Government say that they will prevent fraudulent exportation, but they cannot prevent the exportation of goods which are truly described.

Sir WILLIAM LYNE.—We can say what descriptions shall be applied.

Mr. LEE.—I have taken a most active part in encouraging grading in the butter trade, because I thoroughly believe in it; but, so far as New South Wales is concerned, the factories are thoroughly up-to-date in this matter, and put their produce on the market properly graded, according to quality. There has been no demand for this Bill, because what is proposed to be done is being done better by the Governments of the States. I have no objection to the prohibition of the importation of goods injurious to the public health, but I think that the evils which have been spoken of can be dealt with under the Health and Adulteration Acts of the States. The honorable member for Hindmarsh told us that milk is imported here from which nine-tenths of the cream has been extracted, but further importation will not be stopped by the Bill, because the article can be described as skimmed milk, and brought in under that description, being sold afterwards under any description the vendor likes to place on it.

Mr. WILSON.—It must be described in that way to comply with the provisions of the English Act.

Mr. LEE.—Yes. We are wasting time in dealing with this measure, because it will hamper commerce, and will not be as effective as the States Acts. The Minister thinks that, by using the word "quality" in the clause, he can improve the quality of the exports of Australia; but the Bill will not have that effect. Neither will it improve the quality of importations. If it would do either, I would assist the passing of it. In this legislation we are following a long way after the States, although we should lead, and the States are simply laughing at us. I shall support the amendment.

Mr. BROWN (Canobolas).—I have listened with considerable interest and attention to the speeches on the amendment, but I have not been able to harmonize the grounds of opposition to the proposal in the Bill. We are told that the measure gives the Minister too much power, and will make him autocratic, and that it places the import and export trade of Australia under a control to which it should not be submitted. Then we are told that the Bill will accomplish nothing; that it is powerless to effect the purposes aimed at; and that the States legislation is ahead of what is proposed. I am not disposed to regard the measure from either of these extreme standpoints. I have felt for a considerable time past that legislation of this kind is absolutely necessary, in the interests of the public health. The consumer is not always able to protect himself. He has very often to accept the goods which he buys on the description applied to them, whether they are goods manufactured within Australia or imported goods. Unprincipled manufacturers very frequently trade on the good reputation built up by their honest competitors, and consumers have occasion to complain that they are not sufficiently protected by State legislation against trade frauds. With regard to the export trade, we must be careful to cultivate our markets. We can only hope to achieve success in this direction by supplying the very best articles, and catering for the tastes of our customers. Unfortunately, our experience has shown us that while some exporters, with a full appreciation of the necessity for putting a superior article on the market, have supplied goods of high quality, and have achieved a good reputation, unprincipled persons have exported inferior goods,

and eventually destroyed the reputation of our goods, and thus lost the market. The Bill is intended to prevent anything of the kind in the future. It will afford an outlet to the honest trader, and find a profitable outlet for our produce. Some honorable members appear to think that exporters who have hitherto been sending inferior produce will, under the system of classification proposed, be placed at a disadvantage, owing to their goods being classed with inferior goods; but nothing of that kind is contemplated. On the other hand, the exporters will secure the full benefit attaching to the description of his produce. In South Wales, considerable consideration has been shown to Government proposals for the export of produce intended for foreign markets, but, wherever that system has been adopted, it has been found to operate to the interests of the legitimate exporters. I am informed on good authority that in the first instance, many farmers in New Zealand objected to Government interference, they having much advantage from the system of grading adopted in that colony; but they are now amongst its supporters. I feel sure that the same change of opinion will take place in Australia. The production of leather is a natural industry in New South Wales, and one of the largest stock-producing industries of the Commonwealth. Instead of sending out our hides, we should be able to send out to the markets of the world leather in finished form and to find a profitable market for it. We are told, however, by one of the commercial agents of New South Wales, that the mere fact that leather comes from Australia is sufficient to condemn it, not due to the fact that our tanners are able to produce a good article, but that inferior goods have been exported, and as a result that the market has been

Mr. DUGALD THOMSON.—I would not remedy that evil.

Mr. BROWN.—I trust that that effect. We shall, at least, prevent the exportation of leather of inferior manufacture of which bairn is used. We should also be able to exercise some supervision over the Intercolonial trade. The honorable member for Darling has indicated the extent to which paltry and rubbishy materials have been used for leather, in the manufacture of shoes. The boot manufacture

South Wales have been subjected to a great deal of unfair competition on the part of competitors in Victoria and elsewhere, who have been using improper substitutes for leather, and we should do our best to put a stop to such practices. The honorable and learned member for Angas contends that it is not within our power to control Inter-State trade, but I think that we should at least make an effort to do so. If the High Court holds that we have not the necessary powers, we shall be in no worse position than at present. There is urgent need for legislation of this description, and we should endeavour to fully meet the requirements of the case. Whilst it is desirable that in the interest of our growing export business, we should send to other parts of the world the best articles we can produce, it is also necessary that we should protect our consumers against being imposed upon in regard to imported goods. Many imported articles of food and of wearing apparel are the subjects of adulteration, and not only are the public grossly imposed upon, but great injury is inflicted upon the health of the community by the trade deceptions now practised. I am informed that in Germany and other Continental countries the most stringent provisions are enforced against the adulteration of foodstuffs intended for home consumption, but that manufacturers are allowed an absolutely free hand with regard to similar goods intended for export. The consequence is that we are having foisted upon us a number of poisonous preparations and shoddy articles which should be prevented from entering into consumption.

Mr. WILSON.—Unfortunately, this Bill does not deal with that question.

Mr. BROWN.—It will do so, so far as we can exercise any control. German manufacturers are now exporting to Australia goods which improperly bear some of the best of English trade marks. In the case of cutlery, for instance, the names of some of the best Sheffield makers are attached to worthless goods, and in this way not only are our consumers being imposed upon, but grave injury is being done to British manufacturers, with whom it should be our desire to do business. The Bill should provide machinery that would put a stop to such importations in future. I am also informed that jewellery manufactured in foreign countries is stamped as being of a higher grade than it really is.

Jewellery of local manufacture has to be stamped according to the quality of the metal used, whereas foreign jewellery is subject to no such regulation. Something should be done to put an end to such unfair competition with local industry. I am not wedded to the Bill in its present form. I hope that it will be greatly improved, and that members of the Opposition will lend their aid with that end in view. I am strongly impressed with the necessity for legislation of this kind, and I think that if we lead the way the States will afterwards be able to supplement our work. The Minister will act wisely if he consults the States which have already passed legislation of a similar character, with a view to bringing the Commonwealth administration into harmony with that of the States. No doubt considerable diversity in legislation and practice now obtains, and if we can bring about some degree of uniformity we shall secure a higher degree of efficiency than has been yet attained. Instead of being a petty piece of legislation unworthy of the Federal Parliament, as one honorable member has suggested, this is a measure of far-reaching importance. For many years we have been urged to take action in this direction, and I hold that the Bill is worthy of a Legislature which professes a desire to promote the best interests of the people of Australia. If the Opposition can suggest any amendments that will improve the Bill, I trust that they will bring them forward, and that the result of our efforts will be the passing of a measure that will be worthy of the Parliament of the Commonwealth.

Mr. POYNTON (Grey).—I am not at all clear whether we are acting wisely in proposing to pass this provision. It is unnecessary to say anything as to the necessity for excluding importations of food unfit for human consumption. I am sure that honorable members on all sides are agreed as to the wisdom of that being done; but I fail to see that the Bill will assist us to that end. It will require traders to give proper descriptions of certain classes of goods, but it certainly will not protect the people from the consumption of unwholesome food. Whilst it is highly important that we should shut out deleterious foodstuffs or shoddy articles, it is equally important that the public should be protected from such goods when made within the States themselves. It is because the Bill will not enable proper supervision to be exer-



cised over locally-manufactured products that I am inclined to think it is somewhat premature. The co-operation of the States is necessary, otherwise the Bill will become to a great extent a dead-letter, or may be tyrannously administered to the special advantage of the protectionist cause. If the operation of the Bill were extended to Inter-State trade, I am afraid that we should return to something like the condition of affairs that prevailed prior to the abolition of the border duties. We have no information as to the extent to which the Government propose to go. So far as I can gather, the Minister has given us no indication of the way in which it is proposed to administer the Bill. The limited list of goods to which it is said that the Bill will apply, includes butter, fruits, wines, meats, food generally, apparel and manures. If the desire of the honorable member for Hindmarsh is to be complied with, it will also extend to patent medicines. Under the term "food generally," a variety of imports will be affected. I should like to know whether ordinary Customs officers are to determine their quality, and to decide whether they conform to proper trade descriptions. For instance, is an ordinary Customs officer to determine whether apparel, consisting of an admixture of wool and cotton, is correctly described, or whether patent medicines are in accordance with the description which they bear? In order to supervise the importation of a few of these lines, at least fifty experts will have to be employed.

Mr. KNOX.—At every port.

Mr. POYNTON.—I would not say that, although if the Bill is to apply to goods of every description, it is difficult to say how many experts will be necessary.

Sir WILLIAM LYNE.—The States which deal with these matters experience no difficulty.

Mr. SPENCE.—There are health officers, for instance, in the different States.

Mr. POYNTON.—But the State officer, dealing with meats, has nothing to do with fruits, and a Government fruit expert has nothing to do with the supervision of butter. When the Minister was speaking I inquired whether it was proposed to utilize the services of the States officers, and received the reply, "We may, or may not."

Sir WILLIAM LYNE.—If it is possible to work with the States and to avail ourselves of the services of their officers that will be done.

Mr. ROBINSON.—Are they to be Federal officers?

Sir WILLIAM LYNE.—I cannot give a definite statement on that point.

Mr. ROBINSON.—To whom are they to be responsible?

Mr. POYNTON.—That is what I wish to know, and it is because of the absence of information in regard to these matters that I am inclined to think that the Government proposal is somewhat premature.

Mr. DUGALD THOMSON.—When it is proposed to employ States officers under any Bill that is generally provided for in the Bill itself.

Sir WILLIAM LYNE.—We utilize the services of many States officers at the present time.

Mr. POYNTON.—Will the Minister object to an amendment providing that the work shall be done by officers of the States?

Sir WILLIAM LYNE.—Certainly; I do not think we ought to be bound down in that way if the States would not agree to something reasonable.

Mr. POYNTON. — Some arrangement should have been made in the first place with the States themselves. It was proposed last session to ride rough-shod over the States by establishing a Federal Bureau of Agriculture; but so far very little headway has been made with that proposition. When the matter was before the House, I said that the proper course would be to endeavour to secure the co-operation of the States, and I feel that I may safely say that the Government of the State of which I am a representative would readily assist the Commonwealth in carrying out the object which we are seeking by this Bill to achieve. But the Commonwealth Government might, at least, have had a consultation with the Governments of the States. Whether I am sitting on the Government benches, or in opposition, I shall never vote for a duplication of the work of States officials. Every measure of this kind that we pass means the creation of a new Department, the cost of which, as "new expenditure," will have ultimately to be borne by the States. Proof of my contention that we need the co-operation of the States in carrying out the objects which we have in view is to be found in the fact that the Bill will not prevent shoddy articles being foisted on the people. All that it will do

will be to prevent importation or exportation under false descriptions. Even if this Bill be passed, the shoddy exhibited by the honorable member for Darling may still be distributed all over the States.

Mr. SPENCE.—An amendment should be moved providing that the Bill shall apply to Inter-State trade.

Mr. FULLER.—Then we shall want officers at every border town.

Mr. POYNTON.—The Bill as it stands would not, for instance, prevent the "Pinky" to which the honorable member for Hindmarsh referred, being sold in South Australia, or sent to other States. The more we consider the measure the stronger must be our conviction that in order to make it a success we must have the co-operation of the States. I hope that the Minister will be able to give us an assurance that the Bill will not mean a duplication of State and Federal officers.

Sir WILLIAM LYNE.—I certainly do not see why it should; I do not think there is the slightest chance of it.

Mr. POYNTON.—If the States had been approached, I am sure that the position would have been improved. I feel satisfied that some at least of the States would not have thrown any obstacle in the way of our passing legislation on these lines. The only question is as to what are the right lines to follow. It is not my desire that a measure shall be passed which, unless it is to have some practical application, may prove a scourge for our backs. If this Bill becomes a dead letter, we shall have been subjected to the abuse of those who opposed it without having afforded any benefit to the people. I certainly am not afraid to accept the responsibility for any action I may take as a member of this Parliament, but it is doubtful whether any benefit will be derived from the passing of the Bill in the absence of the co-operation of the States. It is clear that it will not prevent many of the abuses to which reference has been made. It might prevent shoddy from coming in under a misdescription; but there would be nothing to prevent its distribution under another name.

Mr. ROBINSON.—Shoddy leather could be described as "leatherine," and as such distributed all over the States.

Mr. POYNTON.—That is so.

Sir WILLIAM LYNE. — In the view of those who wish to kill the Bill, dreadful things may be done.

Mr. POYNTON.—I hope that the Minister will recognise that neither I nor my honorable colleague is offering factious opposition to the Bill, and I sincerely trust that he will offer us further information before we are asked to vote on these provisions.

Mr. SPENCE (Darling).—Some of the difficulties to which reference has been made may be real, but I am satisfied that many of them have been greatly exaggerated. Objection has been raised that, if the Bill were amended as I propose, the cost of its administration would be materially increased. The Bill declares that certain things shall be done with regard to imports and exports, but in giving effect to these provisions we shall not need an army of inspectors on the State borders. If goods made in Victoria are sold in Riverina, and it is discovered that they are not as described, the purchaser would have his remedy, and the remainder of the stock would be liable to forfeiture.

Mr. DUGALD THOMSON.—No.

Mr. SPENCE.—The importer of the goods into New South Wales would certainly have a remedy against the fraudulent manufacturer.

Mr. DUGALD THOMSON.—Not under this Bill, after the goods had been imported into another State.

Mr. SPENCE.—Why not?

Mr. DUGALD THOMSON.—It would not be constitutional.

Mr. SPENCE.—I trust that the Minister will consider the point, with the view of so framing the Bill that there may be a provision of the kind incorporated. At any rate, the States have power to pass Acts in co-operation with the Commonwealth measure. True, we cannot make them do so, but if we lead the way, they will naturally have to follow. I have not sufficient legal knowledge to enable me to say whether, in this Bill, we can go further than to deal with goods passing through the Customs House. But it appears to me that, even after that stage, they could be made liable to forfeiture if they were found to be inferior to what they were described as being. Suppose goods were imported from abroad, and it was not discovered that they were adulterated until they had passed through the Customs House, does the honorable member for North Sydney mean to say that there would be no remedy?

Mr. DUGALD THOMSON.—Not after they are delivered.

Mr. SPENCE.—While there may be difficulties surrounding the problem, we should certainly go as far as our constitutional powers will permit. In other legislation we have dealt with matters intimately affecting the citizens of the Commonwealth, and, even if we cannot follow up goods after they have passed through the Customs, I am satisfied that it is possible for us to impose some check. At all events, a prosecution would lead to an exposure, and manufacturers would soon find that it was not worth while to take the risk. I have a word to say in reply to those who urge that it would be necessary to employ a large staff of inspectors to carry out this measure. Some of the States already provide for the inspection of exports. If such inspectors certify that goods are of a good quality, it will not be necessary for the Commonwealth to inspect them again.

Mr. DAVID THOMSON.—But the States might expect us to pay for the inspection.

Mr. SPENCE.—No, they would not. For instance, the State of Victoria provides for the inspection of butter. If the Victorian inspector guarantees the quality of a consignment of butter as not likely to lower the credit of Australian products in a foreign market, that fact should be quite sufficient for the Customs officers, and no further inspection should be required. That is the common-sense view of the matter. It is ridiculous to suppose that the Government would appoint other inspectors to do work that had already been done successfully by State officers.

Mr. POYNTON.—How would imports be dealt with?

Mr. SPENCE. — It might be easy to make arrangements with the States. The Minister could arrange with a State Government that the officers employed to inspect exports could also deal with imports. An expert employed by a State to inspect a certain class of exports could likewise inspect the same class of imports. Our object being to conserve the interests of the taxpayers and consumers, the work could be done without any material increase in cost, and I feel sure that the States would show readiness to co-operate with us to that end.

Mr. DAVID THOMSON.—They might dismiss their experts after the Commonwealth Act was passed.

Mr. SPENCE.—If the States experts are doing satisfactory work, the States are not likely to dispense with their services. But even if they did, the Commonwealth could avail themselves of their services, and the cost to the taxpayer would be the same. It does not matter much whether the work is done by the Commonwealth or by a State, so long as there is only one payment. Much of it could be done by the Customs officers already employed. All the talk about the Minister being expected to inspect goods is mere nonsense. The Minister would be guided by his officers; and many of the Customs officers are experts in particular kinds of goods. The inspection of imports will pay the community in the long run. By its means we secure that goods of good quality go into consumption, and thereby conserve the health of the public, and save their pockets in regard to medical expenditure. Some samples which I produced on Friday have given rise to questions as to whether the goods were imported. I may say at once that what is done here in regard to the manufacture of boots from inferior materials is also done in other countries. Only lately I was speaking to a man who had been employed in the boot trade in England, and he told me that large quantities of boots are made for export in which card-board and straw-board are used instead of leather for parts that are not exposed to view. Therefore, no special condemnation of local manufacturers was involved in the samples which I showed. Such goods, when worn in damp weather, would be liable to give severe colds to the wearer, and to damage his health. From every point of view it is advantageous to the taxpayer that his interests should be protected by such inspection as can be secured by means of this Bill.

Mr. WILKINSON (Moreton).—Judging by expressions we have heard during this discussion, the conclusion might be arrived at that the Commonwealth may expect nothing but antagonism from the States in the administration of this measure. But I do not think we are justified in any anticipation of the kind. In my opinion the States will co-operate with the Commonwealth Government in the effort now being made to restore or maintain the good name of Australia in the markets of the world, and to secure, as far as possible, that unadulterated products only shall be admitted into this country. We have

had evidence lately in Australia that there is more than one kind of thief—that, as Shakespeare says, there is the thief who steals one's purse, and the thief who steals one's good name. Indeed, in Australia we have had persons who would steal both the purse and the good name of the community. I take it that, in the opinion of honorable members, and of the people generally, one of the most important objects we can have in our legislation is to preserve the good name of Australia in the markets where Australian goods are sold. Whether this Bill will achieve that end seems to be a matter of opinion, regulated according to the side of the House on which honorable members sit. The Bill is, perhaps, not all that we should like it to be, or all that by-and-by we may be able to make it; but I am strongly of opinion that it represents a step in the right direction. Even if the fear of the honorable member for Grey be in part realized, namely, that the administration of the Bill will add to the public expenditure, I suggest that the improved standing of Australian products will more than repay us. The honorable member for Cowper, speaking this afternoon, informed us that, in the opinion of a number of butter producers in New South Wales, a Government brand is of no advantage to those concerned in the sale of that commodity. That opinion is, I know, shared by some of the butter producers in Queensland; but I have here an extract from the *Brisbane Courier* of Saturday last, which throws a rather different light on the case. It is only within the last few months that the Queensland Government have begun to grade butter for the London market; and any one who takes an interest in the subject cannot but have noticed the improved standing of the Queensland product in the markets of Europe. Before the Government began to brand the exports, Queensland butter occupied the very lowest position amongst Australian butter in the quotations, but now, under the new Dairy Act, the commodity from the northern State is rapidly rising to a position of equality.

Mr. GROOM. — The *Sydney Morning Herald* of last Saturday had an article on the success of the grading of butter in Queensland.

Mr. WILSON. — Will this Bill not interfere with the systems of grading now carried out in the States?

Mr. GROOM. — Not in the slightest degree.

Mr. Wilkinson.

Mr. WILKINSON. — I shall read this quotation for the purpose of showing the importance which is attached to the Government brand by those who handle our goods on the other side of the world. The brand is accepted as indicative of quality, and the paragraph shows that the grading facilitates trade in exports of this kind, inasmuch as, relying on the brand, importers in the old country are enabled to make forward sales. The paragraph is from the London correspondent of the *Brisbane Courier*, under date 11th August, and is as follows:—

The Tooley-street agents who received the first of the Queensland butter shipped under the new Dairy Act speak approvingly of the results of the Government grading. So far, they say, it is quite satisfactory. They do not expect that it will make any appreciable difference to prices in the present state of the market, but they express the opinion that it cannot fail to add to the reputation of Queensland butter if it be carried out with uniform care. For a full test of the system they will wait until the next summer shipments arrive. But on one point they agree at once—namely, that proper grading will facilitate “forward” buying, and add to the growing confidence among country buyers in the imports from Queensland. The butter has been gaining steadily in repute on its merits during the last twelve months, and grading will assist this progress. When the adoption of a definite system of grading in Victoria was under discussion a few months ago, it was suggested that grading at the port of shipment might in some cases prevent the London agents from getting the full value of the butter, as, for instance, if parcels passed as second grade in Melbourne became equal to first grade on the homeward voyage. No change of this kind was noticed in the shipment of Queensland butter which came in the steamer *Marathon*, according to the firms which sold the bulk of it. They think that any improvement which may take place in second grade butter included in later shipments will as a rule be noted and allowed for, especially when the selling market is in a good condition. The Victorian Government inspector gives the same opinion. He says that any disadvantages attached to grading for the London market are far outweighed by the advantages gained.

The same remarks would, in my opinion, apply to fruit and other perishable or semi-perishable goods exported from Australia. If our fruit were branded, it would be a guarantee to the agents and dealers that it had been inspected and ascertained to be of good quality and condition when shipped, and this would inspire confidence, which, unfortunately, has been too much shaken by the condition in which produce has been sent to England in the past.

Mr. FULLER (Illawarra). — I am glad to hear from the honorable member for Moreton that the Government grading of

butter in Queensland has had such good effects. It is contended by persons largely interested in this industry in New Zealand that Government grading has proved a distinct advantage in that Colony. I desire, however, to speak more particularly of New South Wales, where opinion appears to be divided on the subject. The honorable member for Cowper told us this afternoon, that at a meeting held under the auspices of the large co-operative dairying company in New South Wales two or three months ago, about three-fourths of the farmers of the State were represented, and a resolution was carried in opposition to Government interference in the industry. I know that in my own district opinion is divided; but I am not called upon to indicate which feeling predominates. In a great industry of this sort, every one engaged in it should have an opportunity of being heard. The Coastal Farmers' Co-operative Company were represented at the meeting to which I have referred, and I have already informed honorable members the nature of the resolution passed.

Mr. GROOM.—Does that company do any grading?

Mr. FULLER. — I presume that they examine the various brands, and probably notify their agents abroad as to their character. In some of the factories and central creameries of New South Wales cream is graded in order to insure the uniform quality of the butter, and this system has been found of great advantage. There is a strong feeling, however, at the present time that the less the Government interfere with the industry the better. Without any aid from the State, this large industry has been successfully built up, and many of those concerned are adverse to any legislation of the kind proposed in this clause. In consequence of the different opinions held, the proper way to have dealt with the matter would have been to give all parties concerned an opportunity of stating their case, which could have been done if the amendment of the honorable member for Kooyong, for which I voted, had been adopted. It appears to me that if this proposal be adopted it will be necessary to have many experts grading butter and other commodities for the various markets of the world. A butter expert will not be a piano expert, and so on; so that it would appear necessary to have a large

army of inspectors at each port of shipment. If that be so, it will afford another opportunity to those people who, without, so far as I can see, any just grounds, are always harping on alleged extravagance in connexion with the Federal expenditure. Much has been said as to the effect this Bill will have in preventing the importation of deleterious articles for human consumption; but my opinion is that in this respect the Bill will fail. If, for example, whisky of an inferior character is imported in casks branded with a proper description of the article they contain, this Bill will not prevent its introduction into the Commonwealth. It may afterwards be taken out of bulk and sold in bottles or in tumblers to consumers. The same thing will apply to all cognate articles. This Bill cannot prevent that being done. I am at one with honorable members who have dealt with the matter from the consumer's point of view. We know well that consumers in all parts of the Commonwealth have from time to time loudly complained of the deleterious nature of many of the articles passed on to them for consumption, more particularly in the country districts. In Sydney we have under an Act a number of inspectors, whose duty it is to inquire into these things, and, as the result of their inspection, articles of a deleterious character are, to a large extent, prevented from going into consumption in that city. But the representatives of big firms make no secret of the fact that inferior stuff is transferred to the country districts and sold there, to the detriment of the inhabitants of those places. How will this Bill prevent that state of things? There is no provision to deal with it any more than there is provision to deal with the other difficulty to which I have referred. It has been said that the Bill will be effective in keeping out shoddy articles. I should like to know whether it is the intention of the Minister to, in this way, keep out articles which now come into competition with goods produced in the Commonwealth? If it is the object of the Minister to use the power conferred under this Bill for that purpose — and I believe it would be possible to so use it — honorable members should hesitate before they give any Minister of Trade and Customs such a power. It appears to me that, if any attempt is to be made to apply the measure to Interstate trade, it will involve the restoration

of the old border Customs Houses. Having listened to the debate, I feel that there is a great difference of opinion amongst honorable members on that phase of the question, and I should like the Minister to give the Committee some assurance that that is not likely to follow from the passing of this Bill. I feel sure that honorable members generally do not desire a return to the old system of border Customs, or the creation of additional staffs of Government officials at our various ports. The honorable gentleman might give some explanation in connexion with the matters to which I have referred when he next addresses the Committee.

Mr. WILKS (Dalley).—The discussion on this clause would appear to be as keen as that on the second reading of the measure. I strenuously opposed the second reading, because, while I was not opposed to the intention of the Bill, as presented by the Minister of Trade and Customs, I doubted very much whether it would carry out that intention. Honorable members are aware also that I opposed the reference of the Bill to a Select Committee. Now that it has run the gauntlet of a second reading, and a majority of honorable members are apparently satisfied that it will achieve the object for which it has been introduced, we have an amendment moved which will absolutely destroy the measure as an instrument for achieving that object.

Mr. WILSON.—The honorable member does not understand why it was moved.

Mr. WILKS.—I am not concerned with the motives which induced the honorable and learned member for Angas to move the amendment. I am concerned with the interests of the consumer, and I believe that some legislation of this kind is required to protect consumers from the sale of deleterious foods and drugs. I previously contended that this could better be effected by States legislation than by Federal legislation, but the second reading having been agreed to, I object to an amendment which will prevent the measure having any useful effect. Some honorable members on this side have said that there is no demand for it. That is a very peculiar objection to urge against such a Bill. Consumers are not organized for the protection of their own interests, whilst we are all aware that producers and exporters are, for financial purposes, powerfully organized.

Sir WILLIAM LYNE.—Importers are also.

Mr. WILKS.—That is so. The commercial morality of the importer is neither better nor worse than that of the protectionist manufacturer. Both these sections of the community seek for gain. Their concern is not for the comfort and health of the community. I do not attack the manufacturer any more than the importer in this connexion. I know that there are importers and manufacturers who would scorn to distribute commodities of a deleterious character, but I am also aware that there are some of both classes who would take advantage of competition to put into circulation the cheaper and inferior classes of goods for purposes of profit. Let us analyze the objection that there has been no demand for this measure. We do not find the burglar asking for increased police protection, or that there should be greater difficulty placed in the way of his trade.

Mr. JOSEPH COOK.—Who is the burglar in this instance?

Mr. WILKS.—I shall deal with that presently. Though consumers are not organized, we know that they and their children suffer from the consumption of deleterious compounds, and it is right that some action should be taken to protect them.

Mr. WILSON.—This Bill will not protect them.

Mr. WILKS.—On the second reading, I said that it would not, but the majority of honorable members are determined that we shall go on with the measure, and I am prepared to give the benefit of the doubt to the Ministry. No one will look upon me as an ardent supporter of the present Administration, but now that the Bill has reached the Committee stage I am prepared to deal with it on its merits. In refraining from calling for a division on the second reading, honorable members, who asserted that it would not carry out the intention for which it was introduced, have admitted that there is something in the measure.

Mr. DUGALD THOMSON.—It can effect some purpose.

Mr. WILKS.—If it is to effect any useful purpose at all the amendment must not be accepted. Another argument used is that the passing of the Bill will involve the appointment of an army of experts. The honorable member for Illawarra talked of an expert on butter, and an expert on pianos. We are not greatly concerned with the distribution of inferior

pianos, which do very little injury except perhaps to the nerve centres, but we are greatly concerned with the distribution of inferior foods and deleterious drugs. I remind honorable members that the Minister has already, under the Customs Act, an army of experts who will be able to carry out many of these duties.

Mr. WILSON.—Will they be able to grade butter?

Mr. WILKS.—The honorable member is arguing from the producers' stand-point, whilst I am speaking from the consumers' stand-point. I am aware that a member of the Commonwealth Parliament is supposed to represent the interests of the Australian community as a whole, but there are some constituencies which are specially interested in the matter of imports, and others which are specially interested in the matter of exports. My concern in this matter is to protect the very large consuming population that I represent. My electors are not producers of goods for export, but many thousands of them are the easy prey of those importing and distributing the class of inferior goods which this Bill is intended to legislate against. I desire to protect my constituents from the distribution of deleterious foods and drugs.

Mr. WILSON.—How will this Bill effect that?

Mr. WILKS.—I fought that question out on the second reading, but now that we have reached the Committee stage I am prepared to give those who support the measure an opportunity to make it effective for the purpose for which it has been introduced. I have already said that I believe that legislation of this kind could be better dealt with by the States Parliaments, but it is a public duty to protect consumers in the way I have suggested, and also to protect fair traders from the injury done them by those who are guilty of commercial immorality. There can be no doubt that local manufacturers distribute deleterious compounds. That is a scandal, but it only shows that the States Legislatures should have taken action in the matter. It is no reason why, when we have reached the Committee stage of this Bill, we should not give the Minister an opportunity to carry out the object for which he says he introduced it. The word "quality" is, in my opinion, essential in this clause if honest importers and exporters to be protected. It has been said time after time that the producers of Australia have suffered be-

cause designing exporters have put on the British or other markets goods which were not up to standard. The Bill has been introduced to make an end to such practices, and, therefore, although I am not a supporter of the Ministry, I feel bound to vote for it. I intend that the Government shall be armed as effectively as possible to carry out its provisions. If that is done, the responsibility for defects in administration will lie at their door. If, however, the Bill proves effective, and is properly administered, the health of the community will be protected, and honest traders will be assisted by others being required to observe a standard of commercial morality which at present seems to be at a sad discount. These remarks are not an imputation upon either the importers or the manufacturers as a whole. The members of neither class are philanthropists; they are business men who wish to make as much money as they can each year. But some of them have a lower standard of dealing than others would stoop to, and put on the market inferior articles which impose on the public. I know of a case in which a particular friend of the Minister, who is a boot manufacturer in New South Wales, and an ardent and well-known protectionist, used to pass off his wares as American-made, because he knew that American brands were fashionable, and thought he would thereby secure larger sales. But whatever may be the need of the public for protection against imposition in the matter of wearing apparel and articles of luxury, such as pianos, our great concern should be the purity of our food supplies, and of the drugs which we use. As I think that the omission of the word "quality" would destroy the Bill, I shall vote against the amendment.

Mr. JOHNSON (Lang).—In my opinion, this is a measure which should not have been brought before the Federal Parliament, because it deals with matters which should engage the attention of the Parliaments of the States, and in regard to which some of the States have already Acts in operation. One of my main objections to the Bill is that it is too comprehensive. But, although it seeks to do so much, it would, if passed into law, probably effect very little. It is full of mischievous provisions, clause 3 in particular being loaded with proposals of an objectionable character. I believe that attempts to put into operation the provisions

of section 52 of the Customs Act—which, if it were possible to carry into effect, would achieve the main object of the Bill—have failed because the Department has not been able to procure the necessary expert evidence in regard to the quality of the goods to which it has been sought to apply them. It seems to me that it will be impossible for any Customs officer to say whether a trade description correctly describes the material or ingredients of which goods are composed, or from which they are derived. To demonstrate his ability to do so, a man would have to undergo an examination in regard to the manufacture of every conceivable article of merchandise. But no man could acquire even a rudimentary knowledge of the processes of manufacture or production of more than a dozen or two articles. The alternative is to employ an army of experts, acquainted with the details of every branch of manufacture and production of goods of every conceivable kind for importation and exportation. That, however, would mean an immensely increased expenditure. I do not suppose that it is the intention of the framers of the Bill to bring into existence a new Department; but to ask the Customs officials to do the work is manifestly imposing on them an impossible task. The Bill places in the hands of the Minister a power which I object to place in the hands of any Minister. It allows him, in the event of the contravention of its provisions, to order the confiscation of imports. In the hands of an unscrupulous Minister—

The CHAIRMAN.—The Bill is not under discussion, neither is clause 3. The honorable member must confine his remarks to the proposed omission of the word "quality."

Mr. JOHNSON.—I shall support the amendment, because I should like to see the clause omitted, and because I see no need for the Bill itself. In expressing that view, I am fortified by the opinion of the Attorney-General of New South Wales, as expressed in an interview. Sir William Lyne defended the Commerce Bill on the ground that it was based upon the Imperial Merchandise Marks Act of 1887. Mr. Wade said, in this interview, that there was a marked difference between the two—

"The primary object of the English law," observed the Attorney-General, "is to prevent the fraudulent use of trade marks,

and as a complement to that provision there is a provision against the use of fraudulent trade descriptions. In the Federal Commerce Bill the maker of goods may or may not, as he thinks fit, apply a trade mark to a trade description of his goods. The English Act not only provides that the producer who attaches the false trade description shall be liable to a penalty, but also any person selling those goods who has the knowledge that the description is false.

"Sir William Lyne is mistaken when he says the definition of a false trade description is copied from the English law. The presence of the words 'omitted therefrom' is a danger in the Commerce Bill, and do not occur in the English Act. My objection to the Commerce Bill is to the power given to a Minister of the Crown to determine what shall be the description attachable to the goods. The Minister may, in a proclamation, declare that, unless certain goods have applied to them a description of such character as is prescribed by the proclamation, these goods may be excluded from entering, or prevented from leaving the country. The conditions of trade will be governed, not by the honesty of the individual trader necessarily, or by the purity of the goods, or their commercial value, but by mere chance as to whether they comply with conditions laid down by somebody outside the trade altogether.

"There is the further danger that if the Act is capable of wide interpretation given to it by the regulations, those regulations cannot be annulled, but there is no doubt that if it were proposed to embody all the powers of the regulations in the Act itself the House would reject it. The nearest approach to this clause that I can find in legislation in England is in section 16 of the Merchandise Marks Act 1887. That certainly provides that the importation of articles may be prohibited under certain exceptional conditions. That is to say, if a foreign manufacturer sends goods to England bearing the trade mark of some English manufacturer or trader, he is committing a fraud on the English people.

It is well known that foreign manufacturers are in the habit of turning out goods which resemble articles of English make, but are of inferior quality. These goods are very often put on the market, and labelled or marked in such a way as to deceive the purchaser into the belief that they are of English production, and of high quality. For instance, I recently sent a messenger to one of the shops in Melbourne to purchase some English-cut tacks, but I was supplied with German goods of inferior quality, made of pewter, which could not be driven into even soft wood.

Mr. GROOM.—Was there a label on the packet to indicate that the tacks were made in Germany.

Mr. JOHNSON.—I did not see the original packet. Cut English tacks are preferred, because they are known to be of good quality, and thoroughly reliable.



Mr. GROOM.—Does not the honorable member think that goods of that kind should bear a true description, and that the persons who sell articles that are not properly marked should be punished?

Mr. JOHNSON.—Yes, I do; but the provision we are now discussing would not meet such cases. Mr. Wade is of opinion that—

If such a clause as that were passed by the Commonwealth Government all honest traders would welcome it.

I say that too—

But this is very different from the elastic Executive power which enables a Minister to lay down such conditions as he thinks fit, which may have the effect of absolutely paralyzing trade. Then, again, in carrying out the provisions of the English Act, special conditions are laid down as to the issue of warrants to search for goods in respect of which the offence has been committed. None of these safeguards is to be found in the Commerce Bill. The English Act does not deal with the quality, purity, or class or grade of goods. I see no reason why the Minister, perhaps in all good faith, may not lay down a standard of purity for any article. That standard may be of such a character that the trade cannot comply with it, or it may be that the local manufacturer can comply with the standard, yet it would be impossible for the importer to do so. In this way I see it is possible under this Bill, when the duty under the Customs has failed to exclude manufactures, to lay down a standard which the importer cannot comply with, and so drive that particular kind of trade away from the Commonwealth. In the United States I find nothing in the remotest degree approaching the drastic powers of this measure, and the detailed interference with the trade of each State. The useful provisions of the Merchandise Marks Act of 1887 have been adopted in South Australia, Victoria, and Western Australia, and the law is much the same with regard to the fraudulent use of trade marks and trade descriptions in New South Wales. We have all we want in this State to protect ourselves against commercial frauds of this character; but if a provision like section 16 of the English Act were passed by the Commonwealth we would have similar protection against fraudulent traders in other countries.

That is the opinion of the Attorney-General of New South Wales with regard to the Bill. Perhaps I may be permitted to quote a case bearing upon this question of quality which recently came under my notice. A friend of mine, who is engaged in a softgoods business in Melbourne, recently gave me some information with regard to the effect of the Tariff upon certain lines of goods. He represented that in some cases importers have to sell their goods at the same prices that they were able to obtain prior to the introduction of the Federal

Tariff, and that, in order to overcome the difficulty arising from the increase in the duty, they had to make special arrangements with the manufacturers at home to supply them with an article of lower quality. He stated that the working men could not afford to pay more than 1s. per pair for socks. Prior to the introduction of the Tariff, importers were able to sell for 1s. per pair socks of excellent quality, but afterwards they had to ask the manufacturers to supply them with socks of a lower quality, which they could still sell at 1s. Therefore, the consumer is now obtaining an article of lower quality than that which was previously sold to him at the same price. The same remarks apply to other imports, and if it is desired to prevent deception of that kind, it appears to me that the remedy is to be applied, not by means of a measure of this kind, but by repealing the iniquitous Tariff, which invites traders to perpetrate frauds of the character referred to.

Mr. WILSON (Corangamite).—I am as anxious as is any honorable member that a measure should be passed to prevent adulteration, and to insure that goods shall be supplied to consumers under their proper description as to quality. Most of the honorable members who have preceded me have failed to appreciate the object of the amendment moved by the honorable and learned member for Angas. He showed clearly that his object was to improve the Bill by bringing it into line with existing legislation in Great Britain and South Australia, and thereby rendering it more valuable. The South Australian Act distinctly provides in Part 2—

“Trade description” means any description, statement, or other indication, direct or indirect, as to the particular quantity, measure, gauge, or weight of any goods.

In that provision there is no mention of “quality” or “nature”; whereas in the Bill before us, the terms “nature, quality, purity, class, grade, and size” are employed. The South Australian Act is based upon Imperial legislation, from which the terms included in the Bill now before us were, after careful consideration, expressly excluded. Since the Imperial Act was brought into force, a number of judgments have been given by the English Court bearing upon the terms to which I have last referred, and the honorable and learned member for Angas desires to exclude from the Bill all words which would be difficult to

define and might lead to serious litigation. This Bill will not prevent adulterated foods going into consumption. Under its provisions a man will still be at liberty to import adulterated goods, provided that he correctly describes them. He may introduce cardboard or imitation leather, as long as he describes it by its true name, and that material may still be used in the manufacture of loots and shoes, so that the Bill will really fail to carry out the object we have in view. Unless it is the intention of the Government to act in concert with the States in the administration of their Sale of Food and Drugs Acts, or other measures relating to adulterated foods which are in operation, children will continue, as at present, to be poisoned by deleterious compounds.

Mr. GROOM. — Will not the Bill deal with a lot of the tinned foods that are now coming in?

Mr. WILSON.—I do not think so.

Mr. GROOM.—They will have to be correctly described.

Mr. WILSON.—The Bill will have to be brought into line with the English Sale of Foods and Drugs Act in order to secure what we desire, for the Government have taken no power under it to obtain samples of various foods and to analyze them. I do not think any honorable member would oppose a Bill that would prevent a roguish manufacturer from putting poisonous compounds on the market. The Bill will not be effective.

Sir WILLIAM LYNE.—If the Opposition will leave it alone they will find that it will be effective enough.

Mr. WILSON.—I fail to see that it will be effective. It is the duty of a Government to submit effective measures to the Parliament, and it is the business of an Opposition to show in what respect any measure is defective. I share the feeling of the honorable member for Boothby that the Bill does not provide for reasonable definitions in regard to imports and exports. While it gives the Minister wide powers that may be seriously abused, it does not afford him sufficient power to deal with many matters that ought to be dealt with under such a measure. The honorable member for Hindmarsh referred to the desirableness of prohibiting the importation of oleomargarine, butterine, and like products. I would remind him, however, that, under section 52 of the Customs Act 1901,

the Minister has power, not only to prohibit exhausted and adulterated teas, but—

Oleomargarine, butterine, or any similar substitute for butter, unless coloured and branded as prescribed.

Under the same section—

All goods the importation of which may be prohibited by proclamation

as well as—

All goods having thereon or therewith any false suggestion of any warranty guarantee or concern in the production or quality thereof by any persons, public officials, Government, or country,

are prohibited. In moving the second reading of the Bill, the Minister read a list of various imports that might be brought under its provisions. Beer and apparel are the first two items on the list. It is probable that a man who is an authority on apparel may be also a good judge of beer, but he might not be able to say whether or not it contained deleterious compounds. We all know that beer is largely adulterated with drugs that are really dangerous to the consumer, and I should like to know how the Minister is going to deal with such importations without the assistance of an expert. Experts will have to be in attendance at every port to deal with these goods. Then, again, I should like to know how furniture, which is also included in the list, is likely to come under the Bill. If it is the intention of the Minister to carry out his promise to the deputation from the Chamber of Commerce which recently waited on him, and to confine the application of the Bill entirely to foodstuffs, honorable members will certainly assist him to that end.

Sir WILLIAM LYNE.—They are showing to-night what assistance they are prepared to give.

Mr. WILSON.—I do not think that the honorable gentleman has any reason to complain. I do not wish to delay the Committee in arriving at a decision, but I should certainly like to know whether it is the intention to apply the Bill to the full list of imports which he read. When the honorable member for Hindmarsh spoke of the necessity of preventing the importation of poisonous drugs, I presume that he meant that proprietary medicines should be examined, and that if they were found to contain poisons which were deleterious to the consumer, their importation should be prohibited. I think that all honorable members will agree with that contention, but,

under the Bill, it will be impossible to deal with such goods. The Bill needs to be very carefully considered, and to receive more attention at the hands of honorable members than it is getting at present. I would remind the Committee that paragraph a of clause 3 will apply to exports as well as imports. In all the States, Government experts are employed to examine and grade various exports, but, although that is done, the exportation of inferior articles is not prohibited. I presume that the Minister would not interfere with that practice. For instance, under the system at present adopted in Victoria, butter is divided into three classes—creamery, dairy, and mixed, and all below the last-named quality is classed as pastry butter. Would the Minister avail himself of the provisions of the Bill to prevent the exportation, say, of pastry butter which is unfit for human consumption, except when used in the manufacture of pastry?

Sir WILLIAM LYNE.—Certainly not, if it were correctly marked.

Mr. WILSON.—Am I to understand then that the Government is to take over the work of grading these products?

Sir WILLIAM LYNE.—I have no doubt that the Commonwealth Government will make an arrangement with the States.

Mr. WILSON.—Would it not be better for the Government of the Commonwealth to consult with the States Governments before we pass this Bill, so as to see how far they could come into line with them?

Sir WILLIAM LYNE.—Afterwards, not before.

Mr. WILSON.—It is a very important matter to the producers. The States Governments do a considerable amount of grading already, but how far does the Commonwealth Government intend to go? Honorable members on both sides of the Chamber would like to know. We do not want to have any clashing of interests. There is, I admit, a great deal to be said for grading, though some producers object to it. The Government certainly will either have to provide their own experts, or to enter into an arrangement with the States; and are the States agreeable that the Commonwealth should take over the work of grading.

Mr. DUGALD THOMSON.—Or to lend their officers?

Sir WILLIAM LYNE.—It does not seem to me, from what I have heard lately, that the States are agreeable to anything that the Commonwealth does.

Mr. WILSON. — Under those circumstances, it would surely be unwise for the Government to proceed with the Bill, as they do not know how far the States are willing to act with them.

Mr. GLYNN (Angas).—I shall not attempt to reply to all the criticisms on my amendment, because some honorable members who are supporting the Government are giving admirable support to the effort which I am making to improve the Bill. I had two objects in view in moving the amendment. One was to secure uniformity; because we should, as far as possible, keep our legislation in these matters in line with English legislation, so as to get the benefit of English decisions. Apart from that, also, people engaged in trade throughout the British Empire should be able to know, without having to look at a multitude of statute-books, what the laws are. They should be able to infer from the laws in operation in England what the laws are likely to be in a British dependency. As a matter of fact, at the Colonial Conference of 1902, uniformity in respect of patents, copyrights, and other commercial matters was expressly referred to as being desirable, as will be seen from the report, which can be read in the Library. So that I am really acting from an Imperial point of view, as well as from the point of view of common sense, in urging that we should as far as possible—unless, of course, necessity is shown for a divergence—adhere to the lines initiated by the Imperial Government in legislation placed on the English statute-book. I also object to the word “quality” being inserted, because in no case in England is the word “quality” used; in fact the word was deliberately left out of the English legislation. *Kerly on Trade Marks*, after a reference to the Act of 1862, which was amended by the Merchandise Marks Act of 1887, says, on page 569:—

That Act did not, and the present Act does not, extend to descriptions of quality as apart from kind.

The author goes on to describe the Act, and remarks that it was extended to deal in general with—

marks which filled the office of trade marks, to reach all false merchandise marks other than marks of quality.

These marks of quality were therefore deliberately left out because, as I have endeavoured to impress upon the Committee, the word “quality” is one which is very comprehensive in its significance. It is an

abstract term, which does not suggest anything concrete. Hence it is capable of many shades of meaning, and can be used in such a variety of connotations that it would be almost impossible to secure convictions. For that reason the English Legislature, having had the advantage of the inquiries of Commissions, deliberately left out the word as being a dangerous one to employ. And if it is dangerous to use the word in England, where a man need not put the description on his goods, it must be doubly dangerous here, where a man has to put such a description on them as may be prescribed by the Minister. If he is in doubt in England he does not put a description on his goods. If he is in doubt here, he nevertheless has to put a description on them, because he cannot export or import unless he does so. It is not, as the English Act says, a description that is not "false in a material particular." We go beyond that, and say, "If it is likely to mislead," terms which are deliberately left out in England as being somewhat dangerous. "False in a material particular" is a term much less likely to cause difficulty than the term "likely to mislead in a material particular." And those words "likely to mislead" are placed in the latter part of the clause, emphasizing my contention that the addition of these words has made the definition—coupled with the penal clauses of the Bill—far more dangerous to honest importers and manufacturers; because they must describe and must not make a mistake. I think that honorable members will see that I have some reason for asking that the word "quality" should be left out, even if the Minister will not agree to limit its application. I do not know whether he quite went that length, but there was some indication of his intention to limit it to food products and patent medicines. If he will absolutely guarantee that he will simply schedule such articles as that, and not take power to proclaim other things as being within the scope of the Bill, I will agree to withdraw the amendment. But if he will not do that, I must decidedly object to intrusting a power of this sort to an administration which will be subject to the importunities of interested persons. It may be that in view of the tremendous category of goods covered by the Bill, importunities of all sorts will be employed, and will lead to a serious conflict of interests between importers and manufactur-

*Mr. Glynn.*

ers. I am sure that the Committee sees the inexpediency of allowing such a power as this to be wielded by men who in all the circumstances of politics are not always infallible, or are not always possessed of a perfect sense of obligation to the Commonwealth. I would again point out to honorable members what may occur. Goods are not to be imported unless upon a description as regards their quality. Now, if the Minister desires to stop the importation of any goods, he can, under the Customs Act, simply proclaim them as not to be imported. As has been decided in America, the trade and commerce section allows that to be done. The Minister can, in that way, put an embargo upon commerce. He is empowered to issue a proclamation against the importation of particular goods without offering any reason. That such a wide power as this has hardly ever been enforced does not remove the fact that for cause shown he is authorized by the Act to proclaim against certain importations. That is an honest way of dealing with things—to proclaim only for specific cause, to say that they shall not be imported because they contain certain materials injurious to the public health. Suppose that under this Bill the Minister declares that a description of quality must be attached to certain goods, and those goods are imported. What has he to do? If he is brought by the importer into a court of justice, the difficulty of proof lies with the Government. The Minister will not want to face that difficulty. Why? Because, as I said before, the term "quality" is so very wide. It involves distinctions grading almost imperceptibly, as twilight does into dark. He will not risk a prosecution where the onus of proof is thrown upon him in that manner. The importer will say that the description is not false, and the Minister will not prosecute. The Bill will therefore prove to be a delusion to those who are supporting it. Because if it fails in a case of that kind, it must be a perfect delusion. Further, it will work a positive injury to our commerce, and to the operation of existing State laws. The State laws at present are fairly effective to cope with such cases, and to substitute Commonwealth administration, which is often far less effective, will work injury to all classes. For an administration which is fairly effective we shall be substituting an administration which is doubtful. What the Minister will do is

this: He will lay an information under clause 8 of the Bill, and he will attempt to shift the burden from the holder of the goods—either the importer or the exporter — of having attached a false trade description; in other words, having put a description upon the goods which gives a false indication of their quality. Then see what position the Minister will be in. This measure, in conjunction with the Customs Act, will place him in this position—that alleging in an information that the description is false, is *prima facie* evidence that it is false unless the importer or the person who gets the goods—and who may not be the man who attaches the description to them—proves the contrary. Section 255 of the Customs Act contains this provision—

In every Customs prosecution the averment of the prosecutor or plaintiff contained in the information, declaration, or claim shall be deemed to be proved in the absence of proof to the contrary.

I say that, as a matter of administration, the Minister will not meet the challenge thrown out to him on the ground that he cannot prove the information that the goods are falsely described, and he will lay the burden of proof upon the importer of showing that they are not falsely described. That opens up a very serious prospect, and it shows the wisdom of the English legislation that penalizes a man for a false description of goods, but does not penalize him for a false description of quality. On page 570, *Kerly on Trade Marks* mentions adulteration under the heading of quality—

Adulteration or the sale of goods not of the nature or quality demanded or pretended is made a criminal offence by other statutes in many special instances.

Then he goes on to refer to the fact that the Sale of Food and Drugs Acts, the administration of which is far more perfect than the administration of this Bill is likely to be by the Commonwealth, make it an offence to mix injurious ingredients with articles of food. The administration of this Bill cannot be so perfect, and will make the measure a delusion to those who support it, as instanced by the fact that the Government have never attempted to put an embargo on the importation of goods under the Customs Act, on the ground that they were not as described; the Minister knowing that the proposition is hardly capable of proof. If the Minister was challenged, in ninety-nine cases out of a hundred he could not sustain his allega-

tion of a false description of quality. It would be impossible to do so. Under the circumstances, therefore, it would be far more expedient to leave the States to deal with these particular matters, which can be dealt with under the Food and Drugs Acts far more effectively than is likely to be the case under this measure. I repeat that I believe that honorable members will find that this Bill is an absolute delusion, and that so far from protecting the public it will injure them, because the administration will be a failure. And I ask the Committee whether importers are likely to describe bad goods as bad goods? Is a man likely to say that his butter is of a dubious quality, and that it will become rank in a short time? Not at all. If he has any doubt about the quality he will give himself the benefit of it, knowing the difficulty the Minister will be in as regards instituting a prosecution, and being aware that the intentions of the Act will be defeated. I hope, therefore, that the Committee will recognise that I am justified in what I have said as to this clause.

Question—That the word “quality” proposed to be left out stand part of the clause—put. The Committee divided—

Ayes	...	...	31
Noes	...	...	12
Majority			19

AYES.

Bamford, F. W.	Kennedy, T.
Batchelor, E. L.	Lyne, Sir W. J.
Bonython, Sir J. L.	Maloney, W. R. N.
Brown, T.	McDonald, C.
Carpenter, W. H.	Phillips, P.
Chanter, J. M.	Poynton, A.
Chapman, A.	Ronald, J. B.
Crouch, R. A.	Spence, W. G.
Culpin, M.	Thomson, D. A.
Deakin, A.	Tudor, F. G.
Fisher, A.	Watkins, D.
Forrest, Sir J.	Webster, W.
Groom, L. E.	Wilkinson, J.
Higgins, H. B.	<i>Tellers:</i>
Hughes, W. M.	Cook, J. N. H. H.
Hutchison, J.	Wilks, W. H.

NOES.

Cook, J.	Liddell, F.
Edwards, R.	Lonsdale, E.
Gibb, J.	Thomson, D.
Glynn, P. McM.	<i>Tellers:</i>
Johnson, W. E.	Fuller, G. W.
Knox, W.	Wilson, J. G.
Lee, H. W.	

PAIRS.

Page, J.	Conroy, A. H. B.
Watson, J. C.	Edwards, G. B.
Frazer, C. E.	Willis, H.
Thomas, J.	Robinson, A.
Isaacs, I. A.	Smith, S.
O'Malley, King	Kelly, W. H.
Storrer, D.	Smith, B.

Question so resolved in the affirmative.  
Amendment negatived.

Mr. KNOX (Kooyong).—I move—

That the words, lines 29 and 30, "a Customs House entry relating to goods and," be left out.

I have no desire to ignore the decision of the Committee, as indicated by the division just taken, but, as I had already indicated that I should move the omission of these words, I now do so. It is a matter of common knowledge that these Customs House entries are usually passed by clerks, and for any omission or neglect the pains and penalties provided are most serious. The Minister of Trade and Customs is aware that the Chambers of Commerce were unanimous in desiring that this provision should not be made, and the suggestions of those bodies were, it will be admitted, offered with a desire to make the Bill effective. I may be told by the Minister that these are the words used in the English Merchandise Marks Act; but, as the honorable and learned member for Angas pointed out when he submitted the last amendment, there is really no analogy between the two provisions. The pains and penalties under the measure before us are immeasurably greater than those under the English Act. The other sub-clauses render it unnecessary that a Customs House entry shall be a trade description, and the position may be met by the Minister requiring a separate document, embodying facts within the knowledge of the principal of any firm desiring to pass goods. In the earlier stages the administration of the Customs Act caused considerable consternation amongst merchants throughout the Commonwealth in consequence of prosecutions being instituted, and explanations demanded, for any error or negligence on the part, it might be, of some junior clerk; and it is felt that if the clause be allowed to remain as it stands at present there may be a repetition of that trouble and inconvenience. The present Minister of Trade and Customs then recognised how harshly the administration of the Customs Act pressed on merchants, and he altered the practice. I appeal to the honorable gentleman now, in view of the fact that full particulars are provided for in the other sub-clauses, to accept the amendment which I have moved. It is unnecessary, in the ordinary day by day conduct of a merchant's business, to exercise a power which might be the means of possible misfortune to a firm. The amend-

ment I have submitted may safely be supported by any honorable member who is in favour of the whole of the other provisions of the measure. In my opinion, this sub-clause, if not amended, will prove to be unworkable, and will create a sort of reign of terror amongst merchants; and that, I am sure, is not the object or intention of the Minister or the Government in introducing the Bill.

Sir WILLIAM LYNE (Hume—Minister of Trade and Customs).—I desire to point out, as I did the other night, that the English Merchandise Marks Act contains a provision similar in effect to that now under discussion.

Mr. GLYNN.—The two provisions are quite different in their working.

Sir WILLIAM LYNE.—I shall refer to the reasons for the provision in the English Act later on. Section 1 of the English Merchandise Marks Act provides: That "a Customs House entry relating to imported goods" shall, for the purposes of the Act, "be deemed to be a trade description applied to the goods." That is practically the same as the provision which we have inserted in this Bill. It has been pointed out to me very strongly by the officers of the Department that the words which it is proposed to omit are absolutely necessary for the proper administration of the Act.

Mr. KENNEDY.—This is the only means by which these particulars can be obtained.

Sir WILLIAM LYNE.—That is so. A good deal of what has been said about the Bill not being as stringent as it might be would be effective if it were not for this very provision. The section was inserted in the English Act in consequence of a report by a Royal Commission which investigated the subject. After referring to the inclusion in the English Act of the provision I have read, the report I have on the subject says—

This fact is very important, and in itself alone it is sufficient reason for the inclusion in the Commerce Bill, which is based so largely upon the British Act, and the objection brought forward to the Commerce Bill does not extend to controverting the wisdom of the British law which prevails so largely in the various parts of the British Empire.

The reason for its inclusion becomes still stronger when we consider how it came to be adopted in the British Act. Its adoption in England was the result of a recommendation by the Committee of the British Parliament in 1800, which reported as follows:—"The evidence given before your Committee was, in their opinion, conclusive proof that goods (notably

articles of consumption) come into this country in large quantities in an adulterated form, but cannot, according to the evidence given by the Customs authorities, be detained under section 3 (d) and (n) of the M. M. A., because in most instances they bear no trade description as defined by sections 3 and 5 of the said Act."

What I want is to have the trade description brought in here in the way in which this Committee reported that it should be dealt with in the Imperial Merchandise Marks Act. The Committee further reported—

Your Committee are of opinion that much harm is being done to legitimate trade by the impunity with which spurious articles are introduced into this country. They therefore propose that the Act should be amended by making the Customs "entry," which must bear a description of the goods imported, a "trade description" within the meaning of the Act. The adoption of this amendment would, in the opinion of your Committee, give the Customs power to detain goods, the "trade description" of which is false as to the materials of which they are composed.

It was on that report that the provision I have read was inserted in the English Act, and on that report I desire that these words should be left in this Bill. I ask honorable members not to impair the effectiveness of the measure, as it would be impaired by the omission of these words. I can well understand that those who desire to oppose the Bill should wish to make it as weak as possible. A great deal that has been said to-night as to the impotency of the Customs officers to deal with persons importing anything impure, or anything fraudulently marked, is of no effect whatever. I ask the Committee not to consent to the amendment.

Mr. DUGALD THOMSON (North Sydney)—The Minister of Trade and Customs objects to the amendment on the ground that certain honorable members desire to destroy this measure.

Sir WILLIAM LYNE.—I have no wish to be interpreted in that way. What I said was that the amendment would weaken the measure.

Mr. DUGALD THOMSON.—I at once accept the honorable gentleman's denial. I can assure the Committee that any provision that is necessary to detect fraud will find support on this side. So far from desiring to see goods introduced under a false trade description, during the whole of my mercantile career I have had attached to invoices, under a system inaugurated by

the honorable member for Mernda, a supporter of the Government, a clause guaranteeing that goods sold under those invoices are of the exact character of the invoiced and labelled description, and that the firm would be responsible for the purity of the goods sold under that guarantee. That is a self-imposed Adulteration Act, and personally I should like to see other merchants adopt the same course.

Mr. HIGGINS.—The Minister desires to make all merchants like the honorable gentleman.

Mr. DUGALD THOMSON. — It is quite true, as stated in the report read by the Minister, that the English Act does not provide for a trade description, and in that lies the difference between it and this Bill.

Mr. HIGGINS.—It can be dealt with in clause 7 or clause 10.

Mr. DUGALD THOMSON.—The Minister, under this clause, can insist on a trade description being placed on goods.

Mr. HIGGINS.—If it is carried.

Mr. DUGALD THOMSON.—If it is carried. The reason for the inclusion of the Customs entry in the English Act was that there was no other trade description compulsory under that Act. Consequently, they had to enact that this, the only description provided for, must be accurate. I do not object to insisting on general accuracy in an entry form; but the Minister might insist on a number of the items of information set out in clause 3 with reference to number, quality, place of origin, manufacturer or producer of goods, person by whom they are selected, and so on, being placed in a trade description, which might be a label or an invoice or a Customs entry; but if he is going to insist that they shall all be placed in a Customs entry, it will become a very difficult and almost impossible task to pass entries for any large quantity of goods. One would have to enter into a long description, altogether irrelevant to any Customs entry, giving all details as to ingredients, source of origin, and so on, of each line of goods. That would make a Customs entry a tremendous document. Without pressing the matter too much at the present time, the Minister might consider whether he cannot propose something which would meet that difficulty. He has every security in being able to insist on a trade description apart from a Customs entry. If the Customs entry is to be made a trade description, and

must consequently contain all the details which the Minister is entitled to stipulate shall be given in a trade description, it will be a very difficult document to prepare. These entries are sufficiently lengthy at present, but this provision, if carried out, might require, in the case of large lines of goods, that they should be tremendous catalogues.

Sir WILLIAM LYNE.—I had a conversation with the Comptroller-General of Customs on that point, and he does not think that there would be the least trouble or any difficulty in connexion with the matter.

Mr. DUGALD THOMSON. — I quite admit that if the full trade description is not insisted on in the entry it might not be troublesome, but power is taken to make the description in a Customs entry as minute and detailed as any other description attached to the goods. That may be necessary under the English Act, which does not provide for any other description. But in this measure, where we do provide for a full and complete description in another way, I do not see why we should provide for it also in the Customs entry. Might I remind the Minister that under paragraph *d* of section 234 of the Customs Act it is provided that "No person shall make any entry which is false in any particular," so that there is security under the Customs Act as regards falsity. The giving of detailed information in the Customs entry would afford no protection to the consumer, nor is there any necessity for it when there is power to see that the full and complete description is given on the label or invoice. That is the difficulty to which I direct the attention of the Minister in supporting the amendment moved by the honorable member for Koo-yong.

Mr. HIGGINS (Northern Melbourne).—The criticism of the honorable member for North Sydney bears on clause 7 rather than on clause 3.

Mr. DUGALD THOMSON. — The two clauses must be read together.

Mr. HIGGINS.—I admit that they must be considered together. At the same time, I think that when we come to clause 7, the honorable gentleman will be able to move an amendment which will achieve his purpose, and which will be well worthy of consideration.

Mr. DUGALD THOMSON.—I am willing to act on that suggestion.

Mr. HIGGINS.—The object of including a Customs entry under the head of trade description is to assist the prosecution of fraud.

Sir WILLIAM LYNE.—That is the object.

Mr. HIGGINS.—I think that those who framed the clause hardly realized that the Minister, in having regulations made, might say, "I shall compel importers to include details in Customs entries which they do not usually contain." I do not think it is intended to make Customs entries any more formidable and detailed documents than they are at present. The honorable member for North Sydney never speaks beside the point, but always in a manner which commands the attention of honorable members, and I respectfully suggest that he might allow this clause to pass. The honorable gentleman will admit that Customs entries are not trade descriptions ordinarily, and if there is a false statement in a Customs entry the person responsible for it should be liable to prosecution.

Mr. DUGALD THOMSON.—I am not against that, so long as a detailed description is not required in a Customs entry.

Mr. HIGGINS.—A modification of clause 7 might be suggested, and I should be inclined to support it, to give effect to what the honorable gentleman desires, but I hope that we shall all be prepared to assist any Administration to prosecute in cases of clear guilt. It is very difficult to prove that a trade description is false, and we must give the Customs officers full power to deal with such matters. If there is dishonesty, let us punish it. If, in a Customs entry, a man calls something pure milk, or pure wool, which is not pure milk or pure wool, and if, for instance, he says that certain gold is 18 carat gold, when it is not, he should be liable to the penalties proposed in this Bill. The experience of the British Customs is that you can in no way reach the prosecution of an offender so effectually as by insisting that every description in a Customs entry shall be true. One honorable member has said, to my surprise, that these Customs entries are made by boys. It is quite true that they are left too much to boys. It is our business to see to it that every entry put before the Customs authorities for the purpose of duty or any other purpose shall be carefully made out, and shall be true. I am personally aware that one of the most frequent means of the evasion of duty is the



practice adopted of trusting the making of Customs entries to irresponsible persons, or to persons who do not know the business. I ask those who have any experience in these matters to corroborate me in that statement. They know it is done commonly. The importers of goods allow entries to be passed by boys, who, when they come for advice, are told to "put in so and so." Then when they are faced with a falsehood they say, "Oh, it was that boy. He did not understand." I feel that we should excuse nothing in a Customs entry when the plea is that the person to whom the making of it was intrusted was incapable of properly performing the task.

Mr. KNOX (Kooyong).—I am in accord with the honorable and learned member for Northern Melbourne, and with the Minister himself, in thinking that the penalties of the Bill should apply to any attempt to make an entry which would impose on the Customs, or which contained a fraudulent representation of the nature of the goods to which it referred. I do not desire to relieve the importer of the responsibility of exercising proper care in seeing that the right trade description is given. If he allows his clerk or office boy to give a fraudulent description, he should be liable to the penalty attaching to the making of a false description. The honorable and learned member for Northern Melbourne, however, has put forward the valuable suggestion that the object which I had in view in moving the amendment might be better met by an amendment in clause 7, and I therefore beg leave to withdraw my amendment, adding that I do not desire that there shall be room for the introduction of fraudulent methods.

Mr. LONSDALE (New England).—It seems to me that if the Customs entry is to contain all the particulars set out in paragraphs *a* to *f*, it will take a considerable time, and entail considerable trouble, to make. I think that the end in view will be met by requiring a trade description containing all these particulars to be placed on the tins or other packages containing imports. To duplicate this information on the Customs entry is only to entail additional and useless labour on our merchants. I do not think that the merchants of the Commonwealth are so void of principle and of honour as the measure would indicate. I know that a large number of them are honorable men, and I am ready to protect all honorable men from the unfair competition of dishonorable

men. I am also willing to protect the consumer, by insisting that all goods brought into the country shall have affixed to them proper trade descriptions. The Merchandise Marks Act of Great Britain differs from the Bill in that it deals only with imports, whereas the Bill deals with both imports and exports. If it dealt merely with imports, the task of the Legislature would be easier. Although I think that it would be simpler to amend this clause than to amend clause 7, I do not object to the withdrawal of the amendment, because I do not wish to set my opinion against that of the honorable and learned member for North Sydney, who has had such a long experience in mercantile matters. We should, however, not overload the Bill. In passing legislation of this kind, we are often putting into motion forces of which we do not know what the effect will be, and just as some honorable members believe that there is ground for distrusting our merchants, I have a strong feeling that the officers of the Customs Department are not to be trusted with too much power, because, being brought up in an atmosphere of suspicion, they are likely to be tyrannical, and their conduct in many cases has indicated that disposition.

Amendment, by leave, withdrawn.

Mr. KELLY (Wentworth).—I move—

That the words "or omitted therefrom," line 38, be left out.

I could understand the Customs officials wishing to penalize anything in the nature of a false trade description, and I think that it is reasonable that a man should be punished for putting on his goods any description liable to mislead. But it is going much further than that to say that persons shall be punished for omitting something from a description.

Sir WILLIAM LYNE.—Fraudulently omitting.

Mr. KELLY.—The Minister, unfortunately, is to be the only judge as to what constitutes fraudulent omission. A trade description is defined to mean any description as to the nature, number, quantity, quality, purity, class, grade, measure, gauge, size, or weight of the goods, and the other particulars set out in paragraphs *b* to *f*, and a false trade description means any false statement in regard to any of these particulars, or any omission therefrom. I cannot see what circumstances the words "or omitted therefrom" are intended to meet.

Mr. GLYNN (Angas).—It seems to me, for reasons which have been very amply given to the Committee by the honorable member for North Sydney, that the Customs entry ought not to contain particulars which are not required by the Customs Act. It would certainly be very harsh to require that all the particulars required in a trade description should be set forth in the Customs entry relating to any goods. That cannot be the intention. What is done in England, and might be done here, is to prevent false statements being made in the usual form of the Customs entry. If the Minister will accept an amendment in that direction, I think that we might do what is necessary, by inserting after the word "entry," line 28, the words "limited to the particulars prescribed by the Customs Act 1901, or the regulations thereunder."

The CHAIRMAN.—It is not competent for the honorable and learned member to move that amendment, since there is already an amendment before the Chair.

Mr. KELLY.—I am prepared to withdraw my amendment.

Mr. DUGALD THOMSON.—It is not so difficult to deal with the matter here as to deal with it in clause 7.

Sir WILLIAM LYNE.—I prefer to deal with it in clause 7, so that I may discuss the question with my experts.

Mr. KELLY.—Will the Minister re-submit this clause if it be found that the matter cannot be dealt with so conveniently in clause 7?

Sir WILLIAM LYNE (Hume—Minister of Trade and Customs).—What I wish to do in the first instance, is to link this measure with the Customs Act, and, as was suggested by the honorable and learned member for Northern Melbourne, it may be that an amendment can be framed which will allow that to be done without requiring too elaborate a trade description to be inserted in the Customs entry. I do not desire that any attempt should be made to effect the honorable member's object by amending this particular clause. Before we reach clause 7, I shall have obtained further technical information from the Comptroller-General of Customs as to whether it would be possible to meet the desire of the honorable member for Kooyong without weakening the intention of the Bill. If I can agree to the amendment with safety, and the honorable member's object cannot be achieved by amending clause 7 or 8, I shall be quite willing to recommit the clause now under

discussion. The words now proposed to be omitted were deliberately inserted with a view to giving the Minister the fullest power to deal with cases of fraud, and I desire to avoid any amendment that will weaken that power.

Mr. LONSDALE (New England).—I objected to the withdrawal of the amendment, because I did not see how the object of the honorable member for Kooyong could be achieved by amending clause 7. If the amendment were accepted it would restrict the Customs entry to the statement of the particulars that are usually filed in such entries, and I think it is desirable to do that.

Mr. KELLY.—Would the Minister kindly make some statement with regard to the question I have raised?

Sir WILLIAM LYNE (Hume—Minister of Trade and Customs).—I do not feel disposed to agree to the proposal of the honorable member, because numerous cases might arise in which an exporter or an importer would deliberately omit a necessary trade description. A false trade description is one which is false "by reason of anything contained therein or omitted therefrom." We should have the power to punish an importer or an exporter who, by the omission of essential particulars, practically gives a fraudulent description.

Mr. LONSDALE (New England).—There would not be so much objection to this provision if the importer or the exporter had an opportunity to demand a fair and judicial examination into his conduct. The Star Chamber in England was abolished years ago, and we should not establish any such institution here.

Mr. KENNEDY.—Who squealed out for a Star Chamber when importers were hauled up before the Courts on charges of fraud?

Mr. LONSDALE.—Those who are charged with fraud upon the Customs are more likely to obtain justice in the Law Courts than if they are tried by persons who have already prejudged them. Under the provisions of the Bill, the very officials who have preferred charges will be called upon to try the accused persons, and I would ask the honorable member whether he would like to have his conduct inquired into by a person who was prosecuting him.

Mr. HUTCHISON.—The importers are satisfied with the present arrangement for inquiries into alleged breaches of the Customs Act.

Mr. LONSDALE.—They are not satisfied. The importers were not satisfied with the course adopted in the harvester case. They asked to be permitted to go before the Court, and reasonably so, because no man with any sense of justice would require that a man should be tried by the very officers who had declared him to be guilty of fraud. Under the Bill as it now stands those who are alleged to be guilty of fraud will be entirely at the mercy of the Minister and his officials, and I decline to confer upon the Customs authorities the powers which are now contemplated. If we cannot trust the Courts, let us appoint other judges. We should carefully guard against wrong being done to any citizen. I have no personal friends among the importers any more than other honorable members have, but I contend that we should be careful that justice is done to every member of the community. If it is provided that those who consider that they are aggrieved by any action of the Customs authorities can appeal to a judicial tribunal, I shall have no objection to the provision as it stands in the Bill.

Mr. KENNEDY (Moir). — It seems like a romance to hear the honorable member complaining about a Star Chamber.

Mr. LONSDALE.—It is nothing else.

Mr. KENNEDY.—I am delighted to hear it. If there was one section of the community that clamoured for the adoption of the Star Chamber process in connexion with Customs inquiries at the time when importers were being hauled before the Courts, it was the section which is now fighting the Bill. Was not the present mode of procedure adopted at the request of importers who were being charged in the Law Courts with frauds upon the Customs?

Mr. LONSDALE. — Their request should not have been granted.

Mr. KENNEDY.—I was delighted when importers and others who were guilty of frauds upon the Customs were taken before the Law Courts, and I was one of those who objected most strenuously to the procedure now being followed. If the honorable member will propose that instead of the Customs authorities being the final arbiters in cases of alleged fraud, the accused persons should be taken before a judicial tribunal, I shall support him. I cannot see any justification for the alteration proposed by the honorable member for Wentworth. The words which he proposes

to omit are necessary for the proper definition of a false trade description. My only objection is that they are not quite strong enough, and I prefer that the word "liable" should be substituted for the word "likely." I can conceive that some difference of opinion might exist as to what was "likely to mislead"; but the same divergence of view would not be possible in regard to the word "liable."

Mr. KELLY (Wentworth).—I think that the Minister has mistaken my object. The omission of the words which I have suggested should be excised would do no harm, but, on the other hand, would improve the clause. I would point out that "trade description" relates, among other things, to the quality of an article, and any omission in that regard might be construed by the Minister as a false trade description. For instance, suppose that a quantity of salt butter were imported, and the word "salt" was not included in the trade description—

Sir WILLIAM LYNE. — Or that the importer did not apply any description to it.

Mr. KELLY.—But he would be compelled to apply a trade description.

Sir WILLIAM LYNE.—He might call it butter, but not bad butter.

Mr. KELLY.—The importer would have to apply a trade description, and if that description were false he might be prosecuted, apart altogether from any provision containing the words which I propose to omit. It appears to me that it would be absurd to empower the Minister to punish a man for applying a false description merely because of some omission on his part. Surely the only person who could say that he had been deceived by such an omission in the description would be the consumer of the article. I do not think the Minister should be intrusted with any such power as that proposed to be conferred. He would be placed in a most serious position, and, indeed, it is largely on his account that I am suggesting the amendment.

Sir WILLIAM LYNE (Hume—Minister of Trade and Customs).—I should like to point out to the honorable member, in the first place, that it is not the Minister, but the officers of his Department, who will be called upon to deal with this matter. It is only in the case of an appeal that the Minister will take action.

Mr. KELLY.—Does the Minister direct his officers, or are they irresponsible?

Sir WILLIAM LYNE.—They are not irresponsible, but in matters arising under this Bill they are not likely to receive any direct instructions from the Minister.

Mr. KELLY.—No measure can prevent a Minister from controlling the officers of his Department.

Sir WILLIAM LYNE.—The Minister will have very little control over his officers in this regard, except when an appeal is made to him. If the honorable member turns to clause 10, he will find that—

Subject to the regulations the Comptroller-General, or on appeal from him the Minister, may permit any goods which are liable to be or have been seized as forfeited under this section to be delivered to the owner or exporter. . . .

It is only in such a case that the Minister will take action. As to the statement made by the honorable member regarding the possibility of fraud being committed by the omission of certain words from a description of goods, I would point out that, if, for instance, the shoddy boots exhibited by the honorable member for Darling were simply described as "men's boots," or "children's boots," as the case might be, and no reference were made to the fact that they were constructed partly of paper or cardboard, that would be a fraud, provided that the omission were deliberate. It is to meet such cases that it is necessary to have a provision of this kind in the Bill.

Mr. KELLY (Wentworth).—The Minister's explanation raises a completely new position. Under the clause, as it stands, imitation leather could be imported as piece goods, and made up locally into boots, which could then be sold as leather boots. A fraud could thus be perpetrated on the consumers of the Commonwealth. The retention of these words will therefore lead to the institution of a new industry in Australia—to the establishment of factories from which the poor people of the country will be supplied with articles of a "brum-magem" nature.

Sir WILLIAM LYNE. — The States will look after that.

Mr. KELLY.—Why do anything which will afterwards put the States in the position of having "to look after that"?

Mr. LONSDALE (New England). — From an interjection made by the honorable member for Moira, whilst I was speaking, I was led to infer that he favoured the Star Chamber inquiries to which I was objecting. I find, however, that he does not

favour such proceedings, and that what he wished to convey was that the importers favoured such a system of dealing with frauds on the revenue. I realise that there may be some trifling cases with which it might be permissible to deal in this way, but I hold that any serious fraud should be dealt with judicially, and in an open way. The fact of the public hearing of such a case would in itself be a greater punishment, and would have a stronger deterrent effect, than would the penalties for which provision is made. The Bill ought to contain a provision for an appeal to a judicial authority. If the Minister and his officers are satisfied that they are acting rightly they should have no objection to an appeal from their decisions to a judicial authority. Where the punishment imposed is the result of an omission on the part of a trader, the latter should have a right to show that the omission was not fraudulent, and a judicial authority should then be able to deal with the case. A man charged with having given a false description of his goods should be allowed to appeal from the decision of the person who really lays the charge against him and prosecutes him. No one should object to that proposition. I shall ask one of the legal members of the Committee who agrees with me to draft an amendment in that direction, and I shall be prepared to move it.

Amendment negatived.

Mr. KELLY (Wentworth).—I rise this time really in the interests of the honorable member for Moira, who, I understand, is rather concerned about the use of the words "likely to mislead." The honorable member thinks that it is rather an awkward phrase, and I agree with him that the word "liable" would be preferable to "likely." I move—

That the word "likely," line 39, be left out, with a view to insert in lieu thereof the word "liable."

Mr. GLYNN (Angas). — As has been mentioned by the honorable member for Kooyong, it would be futile to attempt to amend this clause, in view of the decision of the Committee on a previous amendment, although I should attempt to amend several of the paragraphs if I did not think it would be a waste of time to do so. Several words have been inserted in these paragraphs that are not in the Imperial Act, and the definition of "false trade description" makes the clause much more harassing than it would otherwise be. There is a whole line in

COMMONWEALTH OF AUSTRALIA.

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I N D E X

TO

PARLIAMENTARY DEBATES.

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SESSION 1905.

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*June 28 to December 21.*

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# PART I.

## SPEECHES.

June 28 to December 21, 1905.

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EXPLANATION OF ABBREVIATIONS.—*Adj.*, adjournment; *ad. rep.*, adoption of report; *amdt.*, amendment; *com.*, committee; *cons. amdt.*, consideration of amendments; *cons. mes.*, consideration of message; *expl.*, explanation; *m.*, motion; *m.s.o.*, motion to suspend standing orders; *obs.*, observations; *q.*, question; *recom.*, recommitted; *2r.*, second reading.

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*House of Representatives:*

Order of leave, Bill presented, read a first time, and second reading moved, 4942; debated, 6308; Bill read a second time and considered in Committee, 6354; reported, *m.s.o., ad. rep.*, and Bill read a third time, 6374; Bill returned from Senate with amendments, *cons. mes.* and *ad. rep.*, 6975

*Senate:*

Bill received from House of Representatives and read a first time, 6382; second reading moved, 6662; debated, 6667; Bill read a second time, 6700; considered in Committee, 6700, 6774; reported, *m.s.o., ad. rep.*, and Bill read a third time, 6814; message, 6972

## JUDICIARY ACT AMENDMENT BILL.

*Senate:*

Order of leave, 1055; Bill read a first time, 1301; order of the day for the second reading postponed, 3781; second reading moved, 4471; motion negatived, 5251; statement by Senator Symon, 5528, and Senator Pearce, 5530

## JURY EXEMPTION BILL.

*House of Representatives:*

Bill read a first time, 9; second reading moved and debated, 481; Bill read a second time, and considered in Committee, 483; report adopted and Bill read a third time, 484; message from Senate, 1007; assent reported, 1191

*Senate:*

Bill received from House of Representatives and read a first time, 463; second reading moved, 622; Bill read a second time, considered in Committee, and report adopted, 623; Bill read a third time, 952; assent reported, 1269

## KALGOORLIE TO PORT AUGUSTA RAILWAY SURVEY BILL.

*Senate:*

Motion to resume proceedings, 189 (*p.o.*, 309; *obs.*, 421), 464; motion agreed to, 546; debate on motion for second reading resumed, 965; amendment by Senator Givens, 991, 1078, 1271; amendment agreed to, 1327

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*House of Representatives:*

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*Senate:*

Motion to resume proceedings, 540; second reading moved, 1071; Bill read a second time, 1076; considered in Committee, 1076, 1155; reported, 1158; report adopted, 1411; Bill read a third time, 1493; message, 1626; message from House of Representatives transmitting message from Governor-General, 4572; *cons. mes.* and report adopted, 5251; assent reported, 5660

*House of Representatives:*

Bill returned from Senate and *cons. amd.*, 1563; message from Governor-General received and considered in Committee, 4048, 4337, 4558; report adopted, 4559; message, 5434; assent reported, 5760

## MANUFACTURES ENCOURAGEMENT BILL.

*House of Representatives:*

Order of leave, 346; Bill read a first time, 662; message, 663; second reading moved, 666, *p.o.*, 668

## MANUFACTURES ENCOURAGEMENT BILL (No. 2).

*House of Representatives:*

Appropriation in Committee, order of leave and Bill read a first time, 752; second reading moved, 819; debated, 826, 1240, 1383, 1473, 1533; order of the day read and discharged, 6589

## MANUFACTURES ENCOURAGEMENT BILL (No. 3).

*House of Representatives:*

Motion, 6567; motion in Committee, moved and debated, 6567; report adopted and order of leave moved and debated, 6568; Bill presented and read a first time, 6569; second reading moved, 6592; debated, Bill read a second time, and considered in Committee, 6707; reported, *m.s.o., ad. rep.*, and third reading moved and debated, 6710; Bill read a third time, 6722

*Senate:*

Bill received from House of Representatives, and read a first time, 6662; second reading moved, 7069; debated, 7071; motion negatived, 7076

## PAPUA (BRITISH NEW GUINEA) BILL.

*House of Representatives:*

Message, 281; motion to resume proceedings, 346, 477; motion agreed to, 481; *cons. amdts.*, 3919; report adopted, 3990; message, 4635; *cons. mes.*, 4656; report adopted, 4665; assent reported, 5434

*Senate:*

Bill returned from House of Representatives with amendments, 4002; *cons. amdts.*, 4577; report adopted, 4600; message, 4683; assent reported, 5453

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Motion to resume proceedings, 15; Bill considered in Committee, 188, 1391, 2250, 2904, 3212; reported, 3212; report adopted, 3458; Bill read a third time, 3541

*House of Representatives:*

Bill received from Senate and read a first time, 3568; motion to postpone order of the day for second reading, 4869

**PATENTS BILL.***House of Representatives:*

Order of leave, Bill presented, and read a first time, 7141; second reading moved, 7141; debated, 7142; Bill read a second time and committed *pro forma*, 7148; considered in Committee, 7434

**PRICE AND DAYLY COMPENSATION BILL.***House of Representatives:*

Message recommending appropriation, 6590; appropriation in Committee, order of leave, Bill presented and read a first time, 6706; second reading moved, 7416; debated, 7418; Bill read a second time, 7430; considered in Committee, 7430, 7437

**QUEEN VICTORIA MEMORIAL BILL.***House of Representatives:*

Message recommending appropriation, 6590; appropriation in Committee, Bill presented and passed through its remaining stages, 6706; message, 6976

*Senate:*

Bill received from House of Representatives, and read a first time, 6662; second reading moved, and Bill passed through its remaining stages, 6818

**REPRESENTATION BILL.***House of Representatives:*

Order of leave and Bill read a first time, 1386; second reading moved, 2076; debated, 2102; Bill read a second time, 4220; considered in Committee, 2226; reported, 2242; *recom.*, 2709; report adopted, 2710; Bill read a third time, 2831; Bill returned from Senate with amendments, 4558; *cons. amds.*, 4940; report adopted, 4942; message, 5219; assent reported, 5760

*Senate:*

Bill received from House of Representatives, and read a first time, 2830; second reading moved, 3132; debated, 4037, 4204, 4215; Bill read a second time, 4220; considered in Committee, 4220, 4223; reported, 4227; report adopted, 4267; third reading moved and debated, 4402; *recom., ad rep.*, and Bill read a third time, 4403; message, 4969; *cons. mes.*, 5165; report adopted, 5166; assent reported, 5660

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Message recommending appropriation, and appropriation in Committee, 7050; order of leave, Bill presented and read a first time, 7051; second reading moved, 7148; debated, 7158, 7273, 7378, 7401

**SECRET COMMISSIONS BILL.***House of Representatives:*

Bill read a first time, 417; second reading moved, 494; debated and Bill read a second time, and considered in Committee, 782, 3266, 3278; report adopted, 3298; *recom.*, moved, and debated, 3434, 3518; report adopted and Bill read a third time, 3519; Bill returned from Senate with amendments, *cons. amds.*, and report adopted, 4899; assent reported, 5434

*Senate:*

Bill received from House of Representatives, and read a first time, 3488; second reading moved, 4573; Bill read a second time and considered in Committee, 4575; reported, 4577; report adopted, 4687; Bill read a third time, 4797; message, 4859; assent reported, 5453

**SERVICE AND EXECUTION OF PROCESS BILL.***House of Representatives:*

Order of leave and Bill read a first time, 729; second reading moved, 782; debated, Bill read a second time, considered in Committee, and report adopted, 783; Bill read a third time, 892; message, 1383; assent reported, 1564

*Senate:*

Bill received from House of Representatives, and read a first time, 952; second reading moved, 1153; Bill read a second time, and considered in Committee, 1154; reported, 1155; Bill read a third time, 1271; assent reported, 1626

**SUGAR BOUNTY BILL.***House of Representatives:*

Message recommending appropriation, 4633; motion in Committee of Ways and Means moved and debated, 4668; report adopted, order of leave, Bill presented and read a first time, 4673; second reading moved, 4899; debated, 4952, 6827; Bill read a second time, 6878; considered in Committee, 6879; reported, *m.s.o., ad. rep.*, and Bill read a third time, 6802; Bill returned from Senate with amendments, 7311; *cons. amds.*, 7373; report adopted, 7378

*Senate:*

Bill received from House of Representatives, and read a first time, 6896; second reading moved, 7076; debated, and Bill read a second time, 7083; considered in Committee, 7083, 7189; reported, *m.s.o.*, and Bill passed through its remaining stages, 7242; message, 7357

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## SUPPLEMENTARY APPROPRIATION BILL, 1903-4 AND 1904-5.

*House of Representatives:*

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*Senate:*

Bill received from House of Representatives, and read a first time, 7188; second reading moved, 7344; debated, 7344; Bill read a second time, and considered in Committee, 7356; reported, *m.s.o.*, *ad. rep.*, and Bill read a third time, 7356; assent reported, 7459

## SUPPLEMENTARY APPROPRIATION (WORKS AND BUILDINGS) BILL, 1903-4 AND 1904-5.

*House of Representatives:*

Message, 7087; *int.*, *m.s.o.*, order of leave, Bill presented and passed through all its stages, 7177; message, 7437

*Senate:*

Bill received from House of Representatives, and read a first time, 7188; second reading moved, 7368; Bill read a second time, and considered in Committee, 7369; report adopted, and Bill read a third time, 7371

## SUPPLY BILL (No. 1).

*House of Representatives:*

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*Senate:*

Bill received from House of Representatives, and passed through all its stages, 152; assent reported, 168

## SUPPLY BILL (No. 2).

*House of Representatives:*

*Int.*, 1328; *m.s.o.*, 1380; order of leave, Bill read a first and second time, and considered in Committee, 1381; report adopted, and Bill read a third time, 1383; assent reported, 1564

*Senate:*

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## SUPPLY BILL (No 3).

*House of Representatives:*

*Int.*, 2712; *m.s.o.*, order of leave, Bill presented and passed through all its stages, 2765; message, 2890; assent reported, 3102

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*Senate:*

Bill received from House of Representatives, and first reading moved and debated, 2767; Bill read a first time, and *m.s.o.*, 2824; motion agreed to, and second reading moved and debated, 2827; Bill read a second time, and considered in Committee, 2828; report adopted, and Bill read a third time, 2830; assent reported, 3102

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*House of Representatives:*

Motion to resume proceedings, 281; second reading moved, 501; debated, 581, 669, 752; Bill read a second time, and considered in Committee, 782, 5030, 5168, 5851, 5992, 6072, 6191; reported and *recom.*, 6249; reported, *m.s.o.*, *ad. rep.*, and third reading moved and debated, 6253; Bill read a third time, 6254; message from Senate, and *cons. mes.*, 6590

*Senate:*

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*Senate:*

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*House of Representatives:*

Bill received from Senate, and read a first time, 1190; second reading moved, Bill read a second time, and committed *pro forma*, 1386; considered in Committee, 2242; report adopted and Bill read a third time, 2243; assent reported, 3755

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*Business of Senate.*—A senator in charge of any business has always the right to ask the Senate to re-arrange it on the notice paper, 1530, 2244

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*Debate.*—When a reserved ruling on a point of order is about to be given, the discussion cannot be re-opened, 309

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Personal allusions are undesirable, 539, 544

When a motion is submitted that a paper be printed, the discussion ought to be directed to the desirability or otherwise of that course being taken, 1158

The Senate is not debarred by the Public Service Act from discussing the classification scheme, 1160

When leave is asked for, it ought not to be discussed; it must be given without a dissentient voice, 1161

A senator ought not to notice irrelevant interjections, 1302; but where one senator has been permitted to wander from the subject to some extent, the senator who is replying to such remarks ought to be as brief as possible, 3337

A senator will not be prevented by the Chair from replying to an irrelevant statement, 7065

On the first reading of a Supply Bill a senator can reply to almost any matter, but he cannot discuss the advisability, or otherwise, of repealing an Act of Parliament, 2801

On the second reading of a Supply Bill, a senator cannot discuss any question not relevant to an item therein, 1411-6. The policy of the Government as to the Defence Forces ought not to be debated, 1415

Although on the first reading of the Appropriation Bill a senator is entitled to discuss matters not relevant to its subject-matter, still the exercise of that freedom is subject to other rules of the Senate, 5264, 5442. Strictly speaking, it is out of order to allude to a Bill on the notice-paper of the other House; but an allusion to the Bill in general terms may be made, 5264. No reference can be made to an item in the Labour platform in a State, 5442

On the second reading of the Appropriation Bill a senator ought not to discuss any question which is not relevant to its subject-matter; he is free to discuss any item

RULINGS—President, The—*continued.*

- expenditure mentioned in the schedule, 5534-49; but not the question of imposing taxation, 5550
- The details of a Supplementary Appropriation Bill ought to be considered in Committee, 7346
- On a motion to dissent from a ruling a senator should be allowed unusual latitude, 4200, 4262
- It is irregular for a senator to repeat arguments in the same speech, though not at different stages of a Bill, 5144
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- Divisions.*—A senator is not entitled to call for a division unless he is in the chamber when the question is put, 456
- Pairs are not recognised, 4859, 7083
- Formal Motions.*—Only certain motions can be considered as formal, 187
- A senator may ask a question concerning a formal motion, but he cannot discuss its terms, 2998
- One dissentient voice prevents a motion from being taken as formal, 3330
- Instructions.*—It is very difficult to say what instructions can be given to a Committee. Instructions which may be given to Select Committees are quite different in their nature from those which may be given to a Committee of the whole Senate, 5220
- Interruptions.*—A senator is entitled to be heard when he is speaking, 19, 4371, 4716, 5127, 5444, 6688-9, 6916
- Interjections ought not to be made after they have been objected to by the speaker, 543; or by the Chair, 5132-5
- When the President is giving a ruling, no other senator should speak, 2248, 6541-2
- A senator may say "Hear, hear," but, strictly speaking, all interjections are out of order, 4371
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- Language, Parliamentary.*—It is in order—  
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to say that personal remarks concerning a senator bring discredit on the Senate, 539;  
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- "Paltry excuse" is not a very nice expression to use, 3998
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- Language, Unparliamentary (continued).*—It is not in order—  
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to ascribe to a senator untruth, 544-5, 3340, 6297, 6961; or cowardice, 1278; or hypocrisy, 1728  
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to say that a senator probably holds a brief, 2248  
to tell a senator to hold his tongue, 2248  
to accuse the Imperial or Commonwealth Government of conniving, 2768  
to stigmatize an Act of Parliament as unfair, unmanly, un-English, or ungenerous, 2801; or as disgraceful, 2808; or as practically a fraud, 5258  
to attack a member of the other House, 5560
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- Ministerial Statement.*—If the Standing Orders be suspended a Ministerial statement may be made before the Address-in-Reply has been adopted, 170
- Motions.*—An objection to a notice of motion being given by leave cannot be withdrawn after the adjournment of the Senate has been moved, 1168
- By leave a Minister may give notice of a motion at an unusual time, 1327
- A notice of motion on the paper is the property of the senator in whose name it stands, and at his request, and on his behalf, it may be postponed, or moved, by another senator, otherwise it will lapse, 2244-5
- A notice of motion ought not to appear on the notice-paper if it contravenes the standing order which forbids the anticipation of the debate on a question, 2647
- A senator is not required to specify a date when he gives a contingent notice of motion, 2826
- A motion for leave of absence to a senator on account of urgent public business is strictly in order, and has priority over other motions, 3330
- A motion in the possession of the Senate cannot be amended by its mover, except by leave, 4565
- Any paragraphs of a motion which are contrary to a decision of the Senate in the same session cannot be moved until its resolution be rescinded, 6389
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**RULINGS—President, The—continued.**

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A motion to which a senator has spoken, but which he has not moved, must be withdrawn, 7455

*Motion for Adjournment*—The four senators who rise to support a formal motion for adjournment are the judges as to whether its subject-matter is one of urgency or not, 5117

*Papers*.—Whenever any papers are tabled, any senator may move that they be printed, 15  
A return ought to be obtained by means of a motion, and not a question, 140

The evidence taken by a Select Committee in previous session may be tabled, but it will not be included in sessional papers unless it is ordered to be printed, 538

The Printing Committee cannot say that a paper, already printed for the House of Representatives, or ordered by the Senate to be printed, shall not be printed, 2147

*Personal Explanations*.—If a senator is misrepresented by the speaker, at the close of the speech, he may ask leave to make a personal explanation, 433

A senator can only state in what manner his speech or action has been misunderstood, 459; or misrepresented, 2472; he cannot renew the debate on main question or discuss the accuracy of any statement by another senator, 460; or the conduct of any senators, 5529

The leave of the Senate must be obtained by a senator to make a personal explanation, 516

A personal explanation is not debatable, 2472; and should not be argumentative, 5724

The conduct of the business of the Senate is not a matter for a personal explanation, 5530

Strictly speaking, a personal explanation cannot arise out of an explanation by a senator, 5531

*Petitions*.—A petition is not out of order if it contains an allegation which, in a senator's opinion, is incorrect, 419

*Points of Order*.—It is not a duty of the Chair to interpret the provisions of the Constitution unless the conduct of business renders it absolutely necessary so to do, 310, 6541

The question whether a method is a desirable one to pursue is not a point of order, 1494

It is not the duty of the Chair to rule on a proposal to be made in Committee: that is a matter for the Chairman to consider, 3343

It is not the duty of the Chairman of Committees or the President to interpret the Standing Orders of the other House, and to say whether or not it has properly inserted certain clauses in a Senate Bill, 6542

*Privilege*.—The delivery of speeches on political matters by the Governor-General is a matter of public policy, and not a breach of the privileges of the Senate, 2997

*Questions without notice*.—A senator may state why he asks a question without notice, but the question cannot be argued by the senator, 6, 514, 1268, 3437, 4452, 7313; or by the Minister, 515

**RULINGS—President, The—continued.**

A question arising out of the answer to a question, upon notice, may be asked without notice, 1492; but it ought not to reflect on a senator, 4195; or to be argued, 5723, 6897-8; and the answer cannot be debated, 2243

One question should be answered by the Minister before he is questioned on the subject by another senator, 4338

Questions can only be asked of private senators concerning matters of which they have charge, 5117

The time for a senator to ask a question is before the business of the day is commenced, and not on the motion to adjourn the Senate, 6973

*Questions upon notice*.—One senator can request another to ask for the postponement of a question, otherwise it must lapse, 142

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In answering a question, it is out of order to make a speech, 284, or adduce any argument, 951

The answer to a question must be printed on the records, 951

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An answer to a question cannot be forced, 3858

*Quotations and References*.—It is not in order—to read an extract reflecting on Parliament, 21

to quote or refer to newspaper comments on debates in the Senate, 1274

to refer to a former debate of the session, 2191, 3859, 5534, 6699, 6938, 6961; except on a motion to dissent from a ruling, 4200; or to pairs, 3870

to quote from any debate in another place, 5540

to read from a debate of same session in another place, 6674

A senator may not read his speech, but he can read an extract or a statement made to him; and a Minister may read a statement of the decision of the Ministry as to their policy, 1734

A senator can always quote outside opinions for what they are worth, 3194; or read a departmental report of a case, 6906

On a motion to discuss the conduct of the Government on a Bill before it was reported the mover may refer to a debate on the Bill in Committee; but he cannot discuss what took place in another place in connexion with a clause, or the Bill itself, 5119. A senator may refer to the proceedings on the Bill in another place, but not to a debate, 5126.

A reference to the possibility of a Bill coming from another place is permissible, 7084.

On a motion to adopt the report on a Bill a senator cannot go into the history of the Government, but he may refer to opinions expressed by its head, 5143

The discussions on all the stages of a Bill are considered as one debate, and a speech at a previous stage may be referred to, 30

**RULINGS—President, The—continued.**

On the first reading of the Appropriation Bill a senator will not be prevented by the Chair from alluding in general terms to a Bill on the notice-paper of the other House, but he ought not to allude to its details, 5264

On the second reading of a Bill a senator ought not to discuss a Bill which has been passed, though it can be referred to, 6922; a senator must not discuss the Bill or allude to the debate thereon, 6938

The substitution of "another place" for "the House of Representatives" does not permit a senator to refer to a debate of same session in that House, 7084

*Right of Speech.*—A senator cannot speak unless there is a motion before the Chair, 419, or after the question has been put, 546

The right of reply cannot be exercised while an amendment to a motion is pending, 455

On a formal motion for adjournment a senator cannot exceed the allotted time, 529, 531, 5127, 6653

A senator cannot make a speech when he is withdrawing a remark, 545, or asking leave to amend a motion, 4099

On a motion to adjourn, a Minister may answer a question without being taken to have exercised his right of reply, 1167; but a senator who has asked a question and resumed his seat is not entitled to speak again, 6973

When a senator has discussed the main question prior to an amendment being moved, he can only speak to the amendment, 1289-90, 3801, 6302-3

By leave a senator may continue his remarks on another day, 3212

A senator who has moved a motion without remark is taken to have spoken, and cannot speak again except in reply, 4099

Strictly speaking, a debate is concluded with the reply of the mover of the motion; but in a case where he was understood to be merely answering a question, a senator will not be prevented from speaking, 5148

The Minister in charge of a Bill ought not to make a speech after the debate on its first reading has been adjourned, even to explain the course he proposes to take, 5274

A senator who has spoken to the general question, and moved an amendment, cannot move another amendment, but he can speak to another amendment if moved, 6044

A senator who speaks while an amendment is pending is taken to be speaking to the amendment and the main question, 6044

Although a motion is to be put paragraph by paragraph, there can be only one debate on its paragraphs, 6044

A senator who formally dissents from a ruling cannot afterwards speak to the question, except in reply, 6379

A dissent from a ruling by the Chairman of Committees may be discussed by senators before the Chair gives a decision, 6538

The report of a Sessional Committee cannot be discussed on the day on which it is presented, 7344

A senator should not speak to a motion unless he intends to move it, 7455

**RULINGS—President, The—continued.**

*Rulings.*—An objection to a ruling has to be made at once and in writing, and considered at a subsequent sitting, 3347, 4204, 6259

A ruling which, on appeal, has been accepted by the Senate should not be questioned, 4201

*Same Question.*—The rule is that the same matter shall not be discussed twice in a session; but the discussion of a question on a motion for adjournment ought not to prevent the same matter from being debated again on a notice of motion, 1494

The rule as to the same question does not prevent a senator from submitting a motion for adjournment under the 60th standing order, 7054-8

*Select Committees.*—It is improper for a member of a Select Committee to inform the press of what has been done until it has reported, 1153

Whether the Printing Committee is to be called together or not, is a matter for the consideration of its members, and not for the leader of the Senate, 2147

If the evidence taken in the previous session "on the subject of the tobacco industry" be referred to the Select Committee on the Tobacco Monopoly "with leave to report it," the Select Committee will not be empowered to comment on such evidence or report concerning its value or otherwise, but simply to append it to the report, 2248

*Standing Orders.*—A motion for suspending the rules can be moved without notice, but it must be carried by an absolute majority, 1161-6

It is not proper for the Chair to express an opinion as to the Standing Orders of the House of Representatives, 2145, 6542

Where leave has been refused to a senator to move a motion, another senator is not entitled to move the suspension of the Standing Orders for the purpose of submitting a motion on the subject, 6384-6

A suspension of the Standing Orders to enable a Bill to pass through its remaining stages operates until the final stage is passed, 7357

See BAKER, Sir Richard (*Speeches*).

**President, Deputy.**

*Adjournment of Debate*, when moved, must be put without discussion, 1736, 7458

*Amendments.*—The practice is for one amendment to be disposed of before another can be moved, 1765

*Debate.*—The remarks of a senator must be relevant to the question, 1760-2

*Language, Unparliamentary.*—It is not in order—to accuse any senators of wasting time, 1760 If an expression be taken exception to, it should be withdrawn, 5268

*Motions.*—At the request of a senator a complicated question is divided, 1738, and it is not necessary to move the omission of a paragraph, 1758

*Orders of the Day* lapse at the close of the session, 7458

*Right of Speech.*—After the mover of a motion has declined to reply, and the first part of a complicated question has been put, there can be no further debate, 1765

**RULINGS—President, Deputy—continued.**

**Select Committees.**—The senators to serve on a Select Committee have to be nominated by the mover, but, on the demand of any senator, they have to be selected by ballot, 1766

See HIGGS, Senator (*Speeches*).

**Chairman of Committees.**

**Anticipating Discussion.**—A senator cannot anticipate the discussion on a motion, 3473, 5920, or on an item in the Appropriation Bill, 5815

**Bills.**—It is quite regular to take, in their order, clauses as printed and proposed new clauses, 1392-9

In the same Committee no clause or amendment can be proposed substantially the same as one negatived, 1398

An amended clause cannot be postponed, 2666  
An amendment which has been withdrawn can be moved in the same Committee, 3542

When it is the wish of the Committee, the Chair will submit in paragraphs a clause, 3554, or an amendment of the other House, 7334

The amendment of Senator O'Keefe to amend section 150 of the Electoral Act is not outside the scope of the Electoral Bill, 4028.  
But, according to the decision of the Senate, the Committee cannot entertain the amendment of Senator Millen to insert a new clause, providing for three commissioners to divide each State, 4133, or to amend clause 12 so as to empower the Governor-General to proclaim their scheme, 4197

It is irregular to postpone a portion of an amendment, 4144

Every clause of a Bill has to be put in Committee: it cannot be objected to on the ground of irrelevance, 4994

An amendment to the Commerce Bill must be relevant to its subject-matter, 5004

The amendments of the House of Representatives, proposed in substitution for the union label clauses inserted by the Senate in the Trade Marks Bill, and dealing with the same matter, are permissible under standing order 194, and, therefore, in order, 6537

A refusal to insert an amendment after a certain word in question will prevent a senator from moving to omit that word, 6565

An amendment which is relevant to an amendment of the other House is in order, 7336

**Debate.**—The discussion must be relevant to the question, 1395, 2926, 4584, 4921, 4926-29, 5026, 5675, 5755, 5830, 6533

A senator cannot discuss the whole Bill on a proposal to insert a new clause, 1395, or on a clause, 4990

A motion to report progress is not debatable, 1651, 2250; and if debated, it must be on the understanding that it does not establish a precedent, 1651

A senator should not repeat an observation several times, 4593-4, and should be heard in silence, 4926, 5023-7

The rule of relevancy is relaxed where it is desired to elicit a statement from a Minister as to the course of business, 4930; but a general discussion on his statement is not permitted, 4933

**RULINGS—Chairman of Committees—continued.**

A senator is enabled to reply to an argument used in debate on a question, 6785

**Divisions.**—Pairs are not recognised, 7329

**Language, Unparliamentary.**—It is not in order to attribute to a senator untruth, 1396  
to accuse a senator of wasting time, 4922;  
or of wasting public money and time, 4927; or of a wish to apply the "gag," 4929

to characterize a discussion as a disgraceful waste of public money and time, 4926  
to reflect upon a vote of the Senate, 4970

A remark which is regarded as offensive by a senator should be withdrawn, 7240

**Points of Order.**—It is not the duty of the Chair to offer an opinion on a point of order relative to the interpretation of the Constitution or of a law, 6533

**Rulings.**—A reflection upon the Chair ought not to be embodied in a written disagreement from a ruling, 6537

**Quotations and References.**—It is not in order to allude to a debate of current session in the other House, 4920

**Suspension of Sitting.**—It is competent for the Chair to suspend the sitting of the Committee, 5963

See HIGGS, Senator (*Speeches*)

**House of Representatives:**

**Speaker, Mr.**

**Amendments.**—No amendment can be proposed to delete any word which has been already ordered to stand part of the question, 811

The mover of a motion having spoken cannot propose an amendment, 816

An amendment in the form of a direct negative to a motion cannot be accepted, 1917, nor can an amendment which is merely an expanded negative, 2968

It is not competent for a member to move an amendment to his own motion, 2833, 3410, 3813

When a debate has been closed, no amendments beyond those previously notified can be moved, 3813-6

Amendments of which notice has been given, but which cannot be proposed owing to previous amendments being before the Chair, can be put after the close of debate, and the previous amendment has been disposed of, 3817

A proposal to limit the operation of a new standing order is admissible as an amendment upon an amendment designed to defer the operation of the standing order to the business of a future session, 5351

It is not competent to move an amendment on an amendment of an amendment, 5379

No amendment can be accepted which would restrict the operation of a provision already agreed to, 5383

On a motion for the third reading of a Bill a direct negative cannot be accepted as an amendment; but a member can move that the Bill be read that day six months, 7135

**Ballot.**—When six members concur in a request for a ballot, it must be taken if the motion for the appointment of the Select Committee be carried, 4169

RULINGS—Speaker, Mr.—*continued.*

*Bills.*—One Bill may be substituted for another laid on the table by mistake, but only with the absolute concurrence of the House, 358

A Bill appropriating public funds cannot be introduced until the subject-matter has been recommended by resolution in Committee of the whole House, 668

The House may recommit a Bill for as much, or as little, alteration as it pleases, and the motion must specify the extent of the recommitment desired, 2832; the clauses can be re-committed in any order that may be desired, 2836

If a Bill were introduced to amend a specific item in the Tariff, it would be in order to move amendments relating to other items, 4392

Bills, even though of a formal character, cannot be introduced without the usual leave, 7087

*Chairman of Committees:* Standing Order 215 imposes upon the House the obligation each session to elect a Chairman, 159

The House having resolved that in the event of more than two nominations being made for the position of Chairman of Committees, the election shall be by open exhaustive ballot, then if three candidates are nominated, the balloting must proceed without debate; but if only two candidates are proposed and seconded, debate may take place on the whole question, 472-3

*Conduct, Disorderly.*—It is distinctly contrary to the Standing Orders for members to stand about the gangways and passages of the Chamber, 86

It is disorderly for members to converse to such an extent as to interfere with a speaker, 1534, 4670, 4862, 6569, 7246, 7288, 7301

It is disorderly for a member to qualify his withdrawal of an offensive remark, or to repeat the remark, 5408

*Conduct, Orderly.*—Members are entitled to make such reasonable use of the benches in the House as they may find it convenient to do, even to the extent of bringing in bed clothes and reclining at full length, 5341

*Debate.*—In a debate on the Address-in-Reply, members may refer to a matter of public notoriety, but must not anticipate debate on a motion for the production of papers relating to it, 35, 36

Members must be referred to by the names of the electorates they represent, 246, 7164

Frequent repetitions of arguments are out of order, 246

A member who, having spoken upon a question of privilege, resumes his seat, cannot afterwards move a motion relating to it, 354

In a debate on a Ministerial Statement, a member is in order in discussing the policy of his party, but not at inordinate length, 371

Members speaking must not directly address other members, 374, 594, 596

No comments should be made upon a remark which has been withdrawn, 475

A member may, in order to elicit information from a speaker, interject if not at too great length, 653; but formal questions cannot be put, 656

RULINGS—Speaker, Mr.—*continued.*

The discussion must be relevant to the question, 658, 1033, 1913, 1916, 2220, 2407, 2838, 2846, 3144, 3149, 3150, 4521, 4523, 4730, 4863, 4874, 4887, 5329, 5336, 5377, 5395, 5397, 5423, 5488, 5696, 6483, 6499, 6712-9, 7134, 7138, 7164

In debating a motion for the second reading of a Bill, members may refer to cognate subjects, such as the existence of special machinery under State laws, which might suffice without the proposed Commonwealth law, 724; it is not strictly in order to discuss other Bills on the business-paper, but some latitude may be allowed where measures are closely related, 4952

It is not competent for a member, in the course of a second-reading speech, to discuss a question of practice raised but for the time dropped by a preceding speaker, 778

In speaking upon Supply motions (formal), members are precluded from referring to debates upon Bills before the House, 1146

Members have the right to make their own speeches, without having the course of their remarks diverted by constant interjections, 1135, 7168

Members must not anticipate discussion on the subject of a notice of motion, or a measure on the notice-paper, 1441, 1457, 3856, 4743, 4779, 5502, 7085; but incidental allusions may be made, 1444, 5508, 7137

Incidental references only may be made to matters not directly bearing on the subject of debate, 1449

It is not in order to discuss any proceedings of a Committee until it has reported, 1914

The merits of a proposed new standing order under consideration by the Standing Orders Committee can be discussed only after the Committee reports, 1914-20

A member cannot move the adjournment of a debate after having spoken to a motion, 1918

It is not in order to refer to a previous debate which has been closed, 1920, 1921, 5509, 6720, 7437, or to debates in the Senate, 7160

It is not in order to refer to a Bill before the Senate, 3058, 4743, 4887

Members may, upon an amendment being proposed, again speak to a motion, but only to the extent to which the question is re-opened by the amendment, 3225

It is not in order to read extracts from newspapers referring to debates during the same session, 3408, 5697, 6328

It is customary to recognise the right of Ministers to deal with each other's business at any stage, 3568

It is not competent, upon the motion for the adoption of the report from the Committee of Supply, to discuss matters not dealt with in the Estimates, nor the general policy of the Government, 4605, 4608, 4611; nor upon the second reading of the Appropriation Bill, 4764

It is not competent for a member, when debating a motion "That the Chairman do leave the chair," to discuss the details of the Bill before the Committee, except he

can base upon any particular clause a reason why the Chairman should leave the chair, 5093

In debating a motion for the adoption of a proposed new standing order, it is not in order for a member to discuss the merits of a Bill in regard to which it may operate; but reference may be made by way of illustration, 5293, 5306

Upon a motion for the adjournment of a debate—as distinguished from a motion for the adjournment of the House—it is not competent to argue that members are so tired out that they cannot give proper consideration to the business; nor is it in order to refer, except incidentally, to the lateness of the hour, or the extent to which the Speaker might be affected, 5340; mention only may be made of measures of urgency which a member considers should have precedence, 5345

Members are entitled to speak without being corrected by interjectors, 5294.

Whilst there is no time limit to speeches on a motion for adjournment of a debate, members must not occupy more than a reasonable time, 5341, 5342

Standing order 276, which makes provision against continued irrelevance, tedious repetition, and speeches of such unwarrantable length as to obstruct business, must be observed, 5343, 5348

It is not in order for a member to repeat arguments used by others or by himself in the same way during the same debate, 5366, 5376, 5431

A member cannot discuss the whole of the measures that might be introduced under the powers conferred by section 51 of the Constitution in debating a question affecting the business which may come before Parliament in a given session, 5383

When an amendment is moved offering an alternative to the original proposal, it is open for members to refer to either alternative, but when the amendment has been amended, and a further amendment of the amendment is submitted, the discussion must be confined to the last proposal. The main question can be discussed only when the amendments have been disposed of, 5400, 5401, 5402, 5405, 5409.

Before the Standing Order of the House of Commons empowering the Speaker to forthwith put the question upon a dilatory motion can be applied, it must be shown that the rules of the House are being abused, 5410

The adjournment of the House cannot be discussed upon a motion for the adjournment of a debate, 5412; nor is reference permitted to previous debate; or to the mental condition of members, 5415

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